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PUBLIC PAPERS OF THE PRESIDENTS OF THE UNITED STATES

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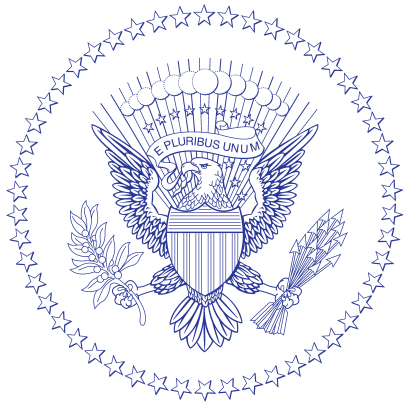
OF THE
UNITED STATES

George W. Bush



2005

(IN TWO BOOKS)

BOOK I—JANUARY 1 TO JUNE 30, 2005

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Foreword

This volume collects my speeches and papers from the first 6 months of 2005. This was the start of my second term as President. It was also a time of peril and promise across the world.

As the year began, America continued to aid millions reeling from the historic tsunami that struck countries on the coast of the Indian Ocean on December 26, 2004. United States military assets—including the hospital ship USNS *Mercy*—moved to the region to aid in the recovery and rebuilding. The American people once again showed the good and compassionate heart of our Nation by contributing generously to relief efforts.

On January 20, I placed my hand on the Bible and took the Oath of Office for the second time. In my Inaugural Address, I set America toward a goal worthy of a great Nation: "to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world." I said that the only force of history that can break the reign of hatred and resentment is the force of human freedom. I further stated: "The survival of liberty in our land increasingly depends on the success of liberty in other lands. The best hope for peace in our world is the expansion of freedom in all the world."

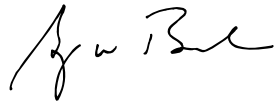
That same month, millions of Iraqis defied threats of violence to exercise their newly won right to vote in elections for the Iraqi National Assembly. The new Iraqi Assembly elected an interim prime minister and president, moving the country closer to the goal of becoming a stable democracy. Our men and women in uniform continued to help the people of Iraq—and Afghanistan as well—performing their duties with courage and honor. In April, it was my privilege to award the first Medal of Honor in the Global War on Terror to Sergeant First Class Paul R. Smith, U.S. Army—a brave soldier from Tampa, Florida, who saved the life of his men by giving his own.

As we confronted challenges abroad, we also worked to address concerns here at home. In my State of the Union Message, I challenged the Congress to bolster America's economic growth by making the tax cuts we passed permanent. I outlined my vision for immigration reform and border security, and I urged members of both parties to put political considerations aside to reform and strengthen the Social Security system. I said, "Social Security was a great moral success of the 20th century, and we must honor its great purposes in this new century. The system, however, on its current path, is headed toward bankruptcy. And so we must join together to strengthen and save Social Security." In the ensuing months, I traveled across our country to make the case for steps to protect Social Security for our seniors and

for future generations. Unfortunately, the Congress did not heed this call, and I hope that a future Congress finds the courage to enact meaningful reform.

This was also a time when our Nation stregthened its relationships with our friends across the world. I met with two of our closest allies in the Western hemisphere—the leaders of Canada and Mexico—to discuss trade, immigration, and security. I welcomed leaders from Jordan, Saudi Arabia, Israel, and the Palestinian Authority to discuss efforts to establish a lasting Middle East peace. I traveled to Rome to attend the funeral of one of the great world leaders of our age, a humble servant of God—Pope John Paul II. In June, I hosted a summit between the United States and our partners in the European Union, pledging to stop the proliferation of the world's most dangerous weapons and to work together to stop the advance of terrorism and extremism.

As the first 6 months of the year drew to a close, I was preparing for the G–8 summit in Scotland and outlining abmitious plans to combat malaria in Africa and provide better educational opportunities for African children; the United States and other nations were working with Afghans and Iraqis to continue the difficult work of transition to full and stable democracies; and our country remained vigilant against further attacks on our homeland.



Preface

This book contains the papers and speeches of the 43d President of the United States that were issued by the Office of the Press Secretary during the period January 1–June 30, 2005. The material has been compiled and published by the Office of the Federal Register, National Archives and Records Administration.

The material is presented in chronological order, and the dates shown in the headings are the dates of the documents or events. In instances when the release date differs from the date of the document itself, that fact is shown in the textnote. Every effort has been made to ensure accuracy: Remarks are checked against a tape recording, and signed documents are checked against the original. Textnotes and cross references have been provided by the editors for purposes of identification or clarity. At the request of the Office of the Press Secretary, the Bush property known as Prairie Chapel Ranch in Crawford, Texas, is referred to simply as the Bush Ranch. Speeches were delivered in Washington, DC, unless indicated. The times noted are local times. All materials that are printed full-text in the book have been indexed in the subject and name indexes, and listed in the document categories list.

The Public Papers of the Presidents series was begun in 1957 in response to a recommendation of the National Historical Publications Commission. An extensive compilation of messages and papers of the Presidents covering the period 1789 to 1897 was assembled by James D. Richardson and published under congressional authority between 1896 and 1899. Since then, various private compilations have been issued, but there was no uniform publication comparable to the Congressional Record or the United States Supreme Court Reports. Many Presidential papers could be found only in the form of mimeographed White House releases or as reported in the press. The Commission therefore recommended the establishment of an official series in which Presidential writings, addresses, and remarks of a public nature could be made available.

The Commission's recommendation was incorporated in regulations of the Administrative Committee of the Federal Register, issued under section 6 of the Federal Register Act (44 U.S.C. 1506), which may be found in title 1, part 10, of the Code of Federal Regulations.

A companion publication to the Public Papers series, the Weekly Compilation of Presidential Documents, was begun in 1965 to provide a broader range of Presidential materials on a more timely basis to meet the needs of the contemporary reader. Beginning with the administration of Jimmy Carter, the Public Papers series expanded its coverage to include additional material as printed in the Weekly Compilation. That coverage provides a listing of the President's daily schedule and meetings, when announced, and other items of general interest issued by the Office of

the Press Secretary. Also included are lists of the President's nominations submitted to the Senate, materials released by the Office of the Press Secretary that are not printed full-text in the book, and proclamations, Executive orders, and other Presidential documents released by the Office of the Press Secretary and published in the *Federal Register*. This information appears in the appendixes at the end of the book.

Volumes covering the administrations of Presidents Herbert Hoover, Harry S. Truman, Dwight D. Eisenhower, John F. Kennedy, Lyndon B. Johnson, Richard Nixon, Gerald R. Ford, Jimmy Carter, Ronald Reagan, George Bush, and William J. Clinton are also included in the Public Papers series.

The Public Papers of the Presidents publication program is under the direction of Frances D. McDonald, Managing Editor, Office of the Federal Register. The series is produced by the Presidential and Legislative Publications Unit, Gwendolyn J. Henderson, Chief. The Chief Editor of this book was Stacey A. Mulligan, assisted by William K. Banks, Loretta F. Cochran, Kathleen M. Fargey, Stephen J. Frattini, Michael J. Forcina, Allison M. Gavin, Diane Hiltabidle, Alfred Jones, Heather McDaniel, Ashley Merusi, Jennifer Partridge, Matthew Regan, Michael J. Sullivan, and Brian Swidal.

The frontispiece and photographs used in the portfolio were supplied by the White House Photo Office. The typography and design of the book were developed by the Government Printing Office under the direction of Robert C. Tapella, Public Printer.

Raymond A. Mosley
Director of the Federal Register

Allen Weinstein
Archivist of the United States

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Cabinet

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Attorney General	Alberto Gonzales
Secretary of the Interior	Gale A. Norton
Secretary of Agriculture	Mike Johanns
Secretary of Commerce	Carlos M. Gutierrez
Secretary of Labor	Elaine L. Chao
Secretary of Health and Human Services	Michael O. Leavitt
Secretary of Housing and Urban Development	Alphonso R. Jackson
Secretary of Transportation	Norman Y. Mineta
Secretary of Energy	Samuel W. Bodman
Secretary of Education	Margaret Spellings
Secretary of Veterans Affairs	Jim Nicholson
Secretary of Homeland Security	Michael Chertoff
Chief of Staff	Andrew H. Card, Jr.

Administrator of the Environmental Protection Agency	Stephen L. Johnson
United States Trade Representative	Robert B. Zoellick (resigned February 18) Robert J. Portman (appointed April 29)
Director of the Office of Management and Budget	Joshua B. Bolten
Director of National Drug Control Policy	John P. Walters

The President's Radio Address
January 1, 2005

Good morning. On this first day of a new year, we join the world in feeling enormous sadness over a great human tragedy. Last Sunday, an earthquake and violent tsunamis struck the nations that surround the Indian Ocean. The carnage is of a scale that defies comprehension, with over 100,000 deaths reported. I have signed a proclamation calling for our Nation's flag to be flown at half-staff this coming week. As the people of this devastated region struggle to recover, we offer our love and compassion and our assurance that America will be there to help.

Earlier this week, I spoke with the leaders of India, Sri Lanka, Thailand, and Indonesia. I offered them the condolences of our Nation, and I praised their steadfast leadership. The task they face is difficult. Their relief resources are stretched nearly to the limit. Communications, roads, and medical facilities have been badly damaged. Disease has become a very real threat.

Americans are a compassionate people, and we are already hard at work helping those nations meet these challenges. The United States has pledged $350 million in relief assistance, with $15 million already in the hands of relief organizations in the affected countries. To help coordinate this massive relief effort, disaster response officials are on the ground and have established a support center in Thailand that is manned and operational. More than 20 patrol and cargo aircraft have been made available to assess the disaster and deliver relief supplies. Many of those aircraft are already on the scene. We have dispatched the aircraft carrier *Abraham Lincoln*, the maritime prepositioning squadron from Guam, and an amphibious ship carrying a Marine Expeditionary Unit. They will soon be in position to support relief efforts, to include the generation of clean water.

Tomorrow I will send a delegation to the area to meet with regional leaders and international organizations to assess what additional aid can be provided by the United States. The delegation will be led by Secretary of State Colin Powell and Governor Jeb Bush, who has extensive experience in the State of Florida with relief, rehabilitation, and reconstruction efforts following natural disasters. Secretary Powell has already spoken with many of his counterparts in the region and with officials from the United Nations and other governments that are helping with the response. Together, we are leading an international coalition to help with immediate humanitarian relief, rehabilitation, and long-term construction efforts. India, Japan, and Australia have already pledged to help us coordinate these relief efforts, and I'm confident many more nations will join this core group in short order.

Here at home, Americans are translating the blessings of our own country into generosity to others. From charitable organizations to private individuals to companies, our fellow citizens, on their own initiative, are raising millions of dollars for relief efforts. These Americans, donor and fundraiser alike, represent the best of our country and offer an example to the world. Any American who desires to donate to these efforts can easily do so online, by accessing the USA Freedom Corps web site at www.usafreedomcorps.gov.

In this season when we gather with loved ones and count our many blessings, we hold the victims of this terrible tragedy in

our hearts and prayers. And let us be mindful that even in this modern age, our world still requires compassion, tolerance, and generosity from each of us.

Laura and I send our condolences to all whose hearts are filled with grief this New Year's Day. And to our fellow Americans, we wish you peace and happiness in the coming year.

Thank you for listening.

NOTE: The address was recorded at 8:20 a.m. on December 31, 2004, at the Bush Ranch in Crawford, TX, for broadcast at 10:06 a.m. on January 1, 2005. The transcript was made available by the Office of the Press Secretary on December 31, 2004, but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address. The proclamation of January 1 is listed in Appendix D at the end of this volume.

Statement on the Death of Representative Robert T. Matsui
January 2, 2005

Laura and I are saddened by the passing of Bob Matsui. Bob Matsui was a dedicated public servant and a good and decent man who served with distinction and integrity in the U.S. House of Representatives for more than 25 years. In the Congress, he was a leader of his party admired by colleagues on both sides of the aisle. Through long-time service on the House Ways and Means Committee, he helped pass important legislation on issues ranging from trade to small business to child welfare to mass transit. He was always devoted to California and his native Sacramento, where he served on the city council and as vice mayor in the 1970s. A third-generation Japanese American, Bob was interned along with his family during World War II. Four decades later, he played a leading role in Congress in securing passage of the landmark Japanese American Redress Act. Laura and I send our prayers and condolences to Doris, their son Brian, and the entire Matsui family.

Remarks on Mobilizing Indian Ocean Earthquake and Tsunamis Disaster Relief
January 3, 2005

I thank you all for coming. I'm honored to be standing here with two former Presidents, President Bush 41, President Clinton 42. We have come together to express our country's sympathy for the victims of a great tragedy. We're here to ask our fellow citizens to join in a broad humanitarian relief effort.

Eight days ago, the most powerful earthquake in 40 years shook the island of Sumatra. The earthquake caused violent tsunamis in the Indian Ocean, which left an arc of destruction from Thailand to the Horn of Africa. The devastation in the region defies comprehension. More than 150,000 lives are estimated to be lost, including 90,000 in Indonesia alone. As many as 5 million people are thought to be homeless or without food or shelter. Thousands more are missing, and millions are vulnerable to disease.

Across the United States this week, our flags will fly at half-staff to honor the victims of this disaster. We mourn especially the tens of thousands of children who are lost. We think of the tens of thousands more who will grow up without their parents or their brothers or their sisters. We hold in our prayers all the people whose fate is still unknown.

The United States Government is in close contact with the governments of the affected countries, and America is playing a leading role in the relief and recovery efforts. Our Nation has committed military assets and made an initial commitment of $350 million for disaster relief. We're working with the United Nations and with governments around the world to coordinate the comprehensive international response. American military assets in the region are now aiding recovery efforts. Patrol and cargo aircraft have been surveying damage and delivering supplies for several days. Air Force C–130s are flying aid missions 24 hours a day.

We are grateful for the hard work of the men and women who wear our Nation's uniform. The *Abraham Lincoln* carrier group is in place near Indonesia and transporting relief supplies by helicopter. Other naval and Marine assets will arrive shortly to generate clean water and provide further logistical help.

I have sent a delegation headed by Secretary of State Powell and Governor Bush of Florida to the Indian Ocean region. There they will meet with fellow leaders and international organizations to assess relief efforts in place as well as the needs that remain. Secretary Powell and Governor Bush will report their findings directly to me, so we can ensure that our Government provides the most effective assistance possible.

We're showing the compassion of our Nation in the swift response. But the greatest source of America's generosity is not our Government; it's the good heart of the American people. In the weeks since the tsunami struck, private citizens have contributed millions of dollars for disaster relief and reconstruction. Organizations like the Red Cross and the Red Crescent, the Salvation Army, Catholic Relief Services, Save the Children, CARE, UNICEF, and America Cares responded rapidly after the tsunamis hit. They have reported an outpouring of generosity from around the world.

To draw even greater amounts of private donations, I have asked two of America's most distinguished private citizens to head a nationwide charitable fundraising effort. Both men, both Presidents, know the great decency of our people. They bring tremendous leadership experience to this role, and they bring good hearts. I am grateful to the former Presidents, Clinton and Bush, for taking on this important responsibility and for serving our country once again.

In the coming days, President Clinton and Bush will ask Americans to donate directly to reliable charities already providing help to tsunami victims. Many of these organizations have dispatched experts to the disaster area, and they have an indepth understanding of the resources required to meet the needs on the ground. In this situation, cash donations are most useful, and I've asked the former Presidents to solicit contributions both large and small.

Over the past week, we have seen some of the innovative ways Americans are helping people in need. A coffee roaster in California is handing out bags of coffee for a $10 donation to the Red Cross. In Virginia Beach, the owner of a tax assistance firm is making a donation for every tax return he prepares. Worshipers at a Buddhist temple in Houston collected thousands of dollars in cash to send to their sister temple in Sri Lanka. Some people are selling personal items on the Internet and donating the cash to the charities. Many corporations are matching contributions by their employees. And several have shown exceptional generosity by donating

large amounts of cash and products to the relief efforts.

Presidents Clinton and Bush will be speaking about the countless ways individuals and businesses can support this urgent cause. I ask every American to contribute as they are able to do so. For more information about how to make a donation, you can visit the USA Freedom Corps web site at www.usafreedomcorps.gov.

Americans have suffered sudden catastrophe many times in our own history, from massive earthquakes in Anchorage and San Francisco to destructive wildfires in the West to the series of hurricanes that struck Florida last year. From our own experiences, we know that nothing can take away the grief of those affected by tragedy. We also know that Americans have a history of rising to meet great humanitarian challenges and of providing hope to suffering peoples. As men and women across the devastated region begin to rebuild, we offer our sustained compassion and our generosity and our assurance that America will be there to help.

The Presidents and I will be going to the embassies of the countries affected to pay our Nation's respects. I'm so grateful that both President Bush and President Clinton have taken time out of their busy schedules to not only serve as a catalyst for people to give money to help but also to join me and Laura in paying our deepest respects to those nations that have been affected by the tsunamis. As well the Presidents will return to the White House compound to talk to members of the press about how to better effect this great relief effort that is now going on in our Nation.

Thank you all for coming.

NOTE: The President spoke at 10:15 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to Gov. Jeb Bush of Florida. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks After Signing the Book of Condolence at the Indonesian Embassy
January 3, 2005

It's our honor to come today to pay our respects for those in Indonesia who suffered under this tremendous disaster. I appreciate the former Presidents joining me. I'm proud Laura is here too as we sign the condolence book.

We're also committed to helping the Indonesian Government and the people of Indonesia. Presidents Clinton and Bush have agreed to help tap into the great generosity of the American people by serving as cochairmen of what will be a massive private relief effort. Of course, I will continue to make sure our Government provides relief as well. I look forward to working with the Indonesian Government to help those who need food and medicine and water and shelter to get their lives back in order so that the great country of Indonesia can rise up from this disaster and provide the hope necessary for the people of that important country.

It's our honor to be here with our friend and ally. Mr. Ambassador, thank you for having us. May God bless the people of Indonesia.

NOTE: The President spoke at 10:40 a.m. In his remarks, he referred to Indonesia's Ambassador to the U.S. Soemadi Brotodiningrat.

Exchange With Reporters After Signing the Book of Condolence at the Indian Embassy
January 3, 2005

Q. Mr. President, you have come this far; are you planning to extend your visit someday to India? It could be before your Presidency——

The President. Well, I appreciate that very much. I was just telling the Ambassador, when I spoke to the Prime Minister I assured him that my intentions were to make it this year to India. In the meantime, though, our country stands with the people who have suffered. We want the Indian Government, the Indian people to know that we'll help in any way we can. I've asked President Clinton and President Bush to lead an effort to raise private contributions to go to the families of those who have suffered and to help provide food, medicine, water, shelter, whatever the Indian Government thinks is necessary.

I want to thank the Indian Government for taking a lead in this issue. One of the first things that we did was to put together a core group of nations, nations that are capable of organizing relief efforts around the region. And the Indian Government has been especially strong as a part of this core group. And I told the Ambassador to thank the Prime Minister for his very strong leadership.

Our navies are coordinating together; our search and rescues are coordinating together. And now the American people and the American Government want to help where help is needed.

Thank you all.

NOTE: The President spoke at 11:01 a.m. In his remarks, he referred to Prime Minister Manmohan Singh of India; and India's Ambassador to the U.S. Ranendra Sen.

Remarks at a Reception for Newly Elected Members of Congress and Their Spouses
January 3, 2005

The President. Thanks for coming. Welcome to the White House. Hope you're feeling pretty excited about what's about to take place. We are excited for you. After all, we ran together. [*Laughter*] And there's nothing like winning. [*Laughter*]

I want to welcome you all here. Laura and I are so thrilled you're here. We want to welcome your spouses. I particularly want to say a thanks to your spouse for having supported your run for the Congress or the Senate. Laura and I know how hard it is on a family to be in the political arena. It's the ultimate sacrifice, really—sacrifice your privacy, sacrifice time with your kids. But you're going to find it's worthwhile. Serving this great country is an unbelievable honor, and both the elected official and the spouse are serving our great country.

The Vice President and I share something else in common with you, besides having run together in 2004, is that we've all run for the Congress. I'm the only one who never won. [*Laughter*] I ran in 1978, came in second in a two-man race. [*Laughter*] The Vice President won, as did Dan Lungren. Welcome back.

Representative Dan Lungren. Thank you.

The President. Thanks for agreeing to serve your great State and our country once again.

Also elected that year was a young attorney from Sacramento, California, named Bob Matsui. Bob went on to serve with distinction and integrity in the House of Representatives for more than 25 years. He was a principled advocate for the people of northern California, and he will be deeply missed.

We're also saddened to learn about the passing of former Congresswoman Shirley Chisholm of New York. She was a fine lady, a pioneer in education and public service, and the first African American woman elected to the Congress. Laura and I send our condolences to both the Chisholm and the Matsui families. May God rest their souls.

One of Matsui's colleagues was Lungren, as I mentioned, and he is typical of what is a pretty interesting group of folks who've run and won in 2004. I mean, after all, there are former House Members who are coming back to the Capitol with a new job—that would be Senators Coburn and Thune—and two Members of the Congress, like Dan, who has served once and are now returning, Inglis and McKinney. Welcome back.

There are some familiar names. After all, four new Senators have moved over from their House seats, and Senator Martinez was in the Cabinet. Welcome, Mel. It's good to see you and Kitty.

There are new Members of the House who were preceded in Congress by their mom or dad. That would be four Members of the House. I get a little nervous when that son follows the father. [*Laughter*] The State of Colorado has sent two brothers. I know something about having a brother in politics too. [*Laughter*] In the 2004 class, we've got ranchers and farmers; we've got attorneys, physicians, educators, entrepreneurs, and a sheriff from King County, Washington. It's a diverse group, a widely talented group, and there's no doubt in my mind, some of your finest achievements lie ahead of you.

You know, I've learned about Washington in 4 years. This town is sometimes too partisan and too political. People sometimes say, "What's more important than the country is my politics." And my hope is, is that we can show the Nation that we can come together to achieve big things for the good of the country. After all, we've—we did some of that in my first 4 years here. The election, obviously, is a political event, and so sometimes that obscures what did take place in the first 4 years of my time here.

I mean, we were able to find common ground. After all, I'll never forget signing the education bill at a high school in Boston because Ted Kennedy helped carry the bill in the United States Senate, along with George Miller in the House and Judd Gregg in the Senate and John Boehner in the House. And on big issues, it is possible—and not only possible, important for the Congress and the White House to work together, issues like war and peace, issues like homeland security, issues like making sure seniors are treated well.

I think it's important, as we head into a new session, to confront problems, to not pass them on to future Congresses or a future President. I don't know about what your timeframe is for the amount of time you anticipate spending here, but mine is about 4 more years, and then I'm going home. And so I want to confront problems, and I will. I'll call upon Congress to take on big issues. And I look forward to working with members of both parties to do just that.

The first order of business is going to be to provide disaster aid for the millions of people devastated by the tsunamis in the Indian Ocean. Today my dad and President Clinton and Laura and I went to the four embassies of the countries most affected. And I told them, I said, "This is a compassionate country, and we will help, and we will help in a way where the aid

makes a difference." I know Presidents Clinton and Bush went on TV afterwards and called upon our fellow citizens to contribute in a wise way. The most effective way for U.S. citizens to contribute is to contribute cash dollars to agencies which are on the ground and are able to assess the needs and able to direct that money to make sure the people get help.

We'll help, and you'll hear us call upon—I see my OMB man, Josh Bolten, here—we'll call upon the Congress to contribute, to help make good on our pledges of $350 million in cash grants, to help make whole our military, which is providing a lot of important relief efforts right now. But the American people are generous and compassionate people. And I know they want to step forward and help. And we've now got a mechanism for them to be able to do so.

We've got to make sure that we win the war. We've got to make sure we support our troops. We've got to make sure we simplify the Tax Code. I don't know whether that's an issue in your district or in your State; I suspect it might be. It's a complicated mess. It takes millions of man-hours to fill out the Tax Code. I think we ought to work to simplify it, to make it easier to understand.

We've got to make sure health care is more accessible and affordable for our families, got to make sure we reform the legal systems. We've got to make sure we raise standards for schools, including high schools, in America. I look forward to working with you to pass a budget that fits our times.

And I look forward to working with you to make the Social Security system work for future generations. I know you've heard a lot of discussions about Social Security. I ask you to keep an open mind as we move forward to make sure the system works. Seniors have nothing to fear when they hear talk about reforming the Social Security system. Every senior in America will get their check. And the fundamental question is: Do we have the will necessary to make sure the Social Security system is sound and available for future generations of Americans, for younger generations of Americans? I'm going to call upon Congress to take this issue on, and I look forward to working with you to modernize the system.

I look forward to your energy and your ideas. I'm ready to work with you. And there's no doubt in my mind we can accomplish big things for our country. The work begins tomorrow for you. And when you're sworn in, I hope you'll take a moment to appreciate that you're a part of our history, that when you made a decision to put your name on the ballot and ask people for the vote and became successful, that you're a part of a small, distinguished group of men and women who've had the honor of serving the United States of America in the Congress.

So I want to congratulate you on your victory. I wish you great success in your career. If you're so interested, Laura and I are willing to—would love to have a picture with you in the Blue Room, and then we'd like to share some of our food with you.

Good luck tomorrow, congratulations, and may God bless you all.

NOTE: The President spoke at 3:39 p.m. in the East Room at the White House. In his remarks, he referred to Kathryn "Kitty" Martinez, wife of Senator Mel R. Martinez; and Senator Ken Salazar and Representative John T. Salazar of Colorado.

Remarks Following a Discussion on Medical Liability Reform in Collinsville, Illinois
January 5, 2005

The President. Thank you all. Please be seated. Thanks for coming out to say hello. It's great to be in southern Illinois. I appreciate the chance to come to Madison County. I'm honored to be the first sitting President to visit the city of Collinsville. I'm sorry Laura is not with me.

Audience members. Aw-w-w! [*Laughter*]

The President. That is generally the reaction. [*Laughter*] I was hoping she and I could go look at the Catsup Bottle. [*Laughter*]

Thanks for waiting on me. I had a visit with some of the—some folks from the area here, a neurosurgeon, a cardiologist, the administrator of a hospital, ob-gyn, a patient, all about the health care crisis that exists here in this part of the world. And that's what I'm here to talk about. I'm here to talk about how we need to fix a broken medical liability system.

I want to thank all the good folks who provide health care for the folks in this part of the world, the nurses, the docs, the administrators. Thank you all for coming. Thanks for your compassion. Thanks for your care. Thanks for taking an active interest in an important issue that faces not only this part of the world but the country. But really what I'm here to do is to make—say as clearly as I can, the United States Congress needs to pass real medical liability reform this year.

And there's no doubt in my mind we have a strong ally in this issue in the great Speaker of the House of Representatives from the great State of Illinois, Denny Hastert.

And I want to thank Congressman John Shimkus for his leadership not only on this issue but on other issues. It's good to be with his wife, Karen, again, sons, David, Joshua, and Daniel. Nice to see you boys. And you brought Mom and Dad. Your mom is probably telling you what to do, just like mine is. [*Laughter*] You're probably listening about half the time, just like I am. [*Laughter*] Welcome.

I'm also proud to be traveling today with a great Congressman from Peoria, Illinois, Ray LaHood. Thank you, sir. Appreciate you coming.

The State Treasurer of Illinois has joined us, Judy Baar Topinka. Appreciate you. Tom Cross is here. He's the minority leader in the house. I'll tell you what he's doing in the house of representatives for the State of Illinois: He is leading the medical liability reform effort. And I want to thank you, Tom, for taking a strong role. Appreciate you coming.

I know the mayor is here. Mr. Mayor—yes, he's here, Stan Schaeffer. I appreciate you coming, Mr. Mayor. Appreciate you being here. I usually like to give mayors unsolicited advice: Fill the potholes. [*Laughter*] You've probably got some advice for me: Pass the highway bill. [*Laughter*]

I want to thank those of you who are working on this medical liability issue here in the State of Illinois. I appreciate your efforts. Look, it's about time the medical profession gets involved. It's about time you let people know what's on your mind. It's time to make sure that the issue comes to the forefront not only at the Federal level but at the local level as well.

I want to thank Connie Bergmann. I met Connie. She came out to the airport—airbase, and—kind of airbase-airport combo, I guess it is. She is a volunteer for the American Red Cross. The reason I bring her up is, every stop I make in America I like to herald a citizen who's taken time out of his or her life to volunteer to make the country a better place. See, the great strength of America is not our military

might, and it's certainly not the size of our wallets. The great strength of America lies in the hearts and souls of our fellow citizens, people who are willing to love a neighbor just like they'd like to be loved themselves, people who are willing to take time to volunteer to make America a better place. And Connie Bergmann is such a person. And I want to thank you for serving the Red Cross.

And speaking about the Red Cross, the International Red Cross is doing heroic work in a part of the world that has suffered incredible, incredible death and destruction. The American people express our sympathy to the victims of the tsunami disasters.

Yesterday I spoke to Secretary of State Colin Powell and Governor Jeb Bush of Florida, who I sent on a delegation—with a delegation to assess the relief operations. And they reported in that the devastation is beyond comprehension. They also reported in that they will come back with an assessment about how we can more effectively help. But they also reported that our military is doing heroic work in helping to save life. They're flying rescue missions 24 hours a day. They're making a huge difference in the people's lives over there by delivering supplies directly to those in need. Our Government has not only stepped up with the use of military assets, but we have pledged $350 million in disaster assistance to help the people over there who are suffering.

There's huge generosity here in America as well. As you know, I tapped a couple of ex-Presidents—[*laughter*]—number 41 and number 42, to help out. I asked them to help, and they are. My dad and President Clinton have graciously given of their time to help make sure that people know there is a need and to make sure the donations are properly channeled into programs that work. If you want to help, get on the Internet for the USA—www.usafreedomcorps.gov. There's a place to help. And on that web page, you'll find different agencies which are doing the good work.

What I don't want is, I don't want people to be sending money to places that aren't really doing the job. We don't need to support organizations that aren't effectively delivering compassion and help. And so on this web page, you'll find a way to help, if you so desire to do so. What they tell me is, the most important contribution a person can give is cash, and let the agencies on the ground be able to use that cash to best meet the needs of those who have suffered.

I want to thank all the Americans who thus far have been participating in this urgent cause. You're showing the true strength of America through your good heart.

I don't know if you know this: This is my first trip after the New Year. And it's good to come here to Illinois. I'm rested and ready to continue to serve to be your—to continue to be your President and to serve the people of this country. And we've got a big agenda item—a big agenda and a series of items that we'll be dealing with.

First of all, we're going to win the war on terror. We've still got to—we will be steadfast. We will be resolved. We'll be wise. We won't give in to these people. We have a duty in your Government to protect the American people. So the second big task at hand is to make sure we do everything we can to protect our homeland. And I will assure you I will continue to work to spread freedom and democracy and, therefore, peace in parts of the world that are desperate for freedom, democracy, and peace.

We're going to work with the Congress to be wise about how we spend your money. We're going to keep your taxes low so this economy continues to grow. We're going to continue to work with our farmers and ranchers to make sure they can sell the products overseas, in markets where people need food and beef and pork. We're going to work to pass a national energy

plan. We're going to work to cut our deficit in half over the next 5 years.

And I look forward to working with members of both political parties to do something about our health care system. First, it is important for Americans to understand we have the best health care system in the world. And we need to keep it that way. We've got the best hospitals, both urban and rural. We've got the world's most talented and compassionate doctors and nurses. And we've got the world's—and we lead the world in innovative research. We're on the cutting edge of change. We're saving lives through our research. Americans should be proud of our medical system, and we all must be grateful for those who work hard to provide compassion and care.

Our health care system faces serious challenges. We all know that. The cost of health care is rising rapidly, and that burdens our families. It hurts our small businesses. It makes it harder for the job creators to expand the job base. Too many Americans are left struggling to find affordable health care. And so I think we need to take practical steps to make sure this health care system of ours is more affordable and available, and we've got to take those steps this year.

To improve health care in America, we need to expand the use of health savings accounts. It's a product that lets you save tax-free for routine medical care while keeping affordable coverage against major illness. Small businesses must be allowed to join together, to pool risk so they can buy insurance for their employees at the same discounts that big businesses are able to do.

To address the cost of medical care, we need to apply 21st century information technology to the health care field. We need to have our medical records put on the IT. We need to make sure that we speed up the delivery and arrival of cheaper generic drugs to help control costs. We want to make sure our Medicare system still allows seniors to have choice in the system.

There's a lot we can do. We've got to make sure we expand community health centers around our country to provide care for the poor and the indigent. And we've got to make sure low-income children are enrolled in government health care programs so they receive the care they need. These are practical steps to help people be able to find health care at affordable prices and, at the same time, make sure the health care system is not run by the Federal Government but by patients and doctors.

To make sure our health care system works the way we want it to work, we've got to address the root causes of rising medical costs. Part of addressing those costs can be achieved by introducing information technology. Part of addressing those costs can be achieved by introducing generic drugs faster, just like I mentioned.

Some of the cost increases in our health care system are necessary and worthwhile. After all, research into new treatments requires major investments. World-class medical technology is expensive. In other words, to stay on the leading edge of medicine, it costs money. And I suspect somebody whose life has been saved by the latest technology is going to say that cost increase was necessary. But some costs are not necessary. And that's what the American people must understand and Members of the United States Senate and the United States House must understand.

Many of the costs that we're talking about don't start in an examining room or an operating room; they start in a courtroom. What's happening all across this country is that lawyers are filing baseless suits against hospitals and doctors. That's just a plain fact. And they're doing it for a simple reason: They know the medical liability system is tilted in their favor. Jury awards in medical liability cases have skyrocketed in recent years. That means every claim filed by a personal-injury lawyer

brings the chance of a huge payoff or a profitable settlement out of court. That's what that means. Doctors and hospitals realize this. They know it's expensive to fight a lawsuit, even if it doesn't have any merit. And because the system is so unpredictable, there is a constant risk of being hit by a massive jury award. So doctors end up paying tens of thousands or even hundreds of thousands of dollars to settle claims out of court, even when they know they have done nothing wrong.

That's what's happening in the system today. It's a system that's just not fair. It's costly for the doctors. It's costly for small businesses. It's costly for hospitals. It is really costly for patients.

When those providing insurance have to pay the bills for enormous jury verdicts or out-of-court settlements, they have to raise premiums on physicians they cover. Specialists in high-risk practices like ob-gyn or neurosurgery are particularly vulnerable to lawsuits, so their premiums rise the fastest. You're about to hear a couple of stories of folks in this area who can testify to that fact.

Because junk lawsuits are so unpredictable, they drive up insurance costs for all doctors, even for those who have never been sued, even for those who have never had a claim against them. When insurance premiums rise, doctors have no choice but to pass some of the costs on to their patients. That means you're paying for junk lawsuits every time you go to see your doctor. That's the effect of all the lawsuits. It affects your wallet. If you're a patient, it means you're paying a higher cost to go see your doctor.

If part of the national strategy has got to be to make sure health care is available and affordable, health care becomes less affordable because of junk lawsuits. And that's what the people of southern Illinois and the people of America must understand, that every time you read about big jury verdicts or out-of-court settlements or lawsuits being filed here or there, you're paying for it.

For some physicians, even raising costs for patients isn't enough to afford the premium increases caused by these lawsuits. And so physicians are faced with a terrible choice: give up medicine entirely, or to move to another place where they can afford to practice medicine. And that problem affects all doctors, from family practitioners in rural towns to surgeons in big-city hospitals.

In 2003, almost half of all American hospitals lost physicians or reduced services because of medical liability concerns. Think about that: One-half of all American hospitals lost physicians. Over the past 2 years, the liability crisis has forced out about 160 physicians in Madison and St. Clair counties alone. When doctors move or close their practices, guess who suffers: the patients, the people who live in these good towns in this part of the world. Pregnant women have to travel longer distances for checkups. Accident victims lose critical minutes in transit to faraway emergency rooms. New residents, people you're trying to get to come and live in your communities, have a hard time finding doctors willing to accept extra patients. And that causes the quality of life in your community to deteriorate. It's a problem that we must address.

America's health care professionals should be focused on fighting illnesses, not on fighting lawsuits. Junk lawsuits change the way docs do their job. Instead of trying to heal the patients, doctors try not to get sued. Makes sense, doesn't it? If you're worried about getting sued, you're going to do everything you can to make sure you don't get sued. That's why doctors practice what's called defensive medicine. That means they're writing prescriptions or ordering tests that really aren't necessary, just to reduce the potential of a future lawsuit.

They have specialists who stop taking emergency room calls. Doctors turn away patients with complicated, life-threatening

conditions because they carry the highest risk for a lawsuit. Defensive medicine drives a wedge between the doctors and the patients, and defensive medicine is incredibly costly for our society. Altogether, defensive medicine drains some 60 to 100 billion dollars from the economy. Defensive medicine raises medical bills for patients and increases insurance costs for employers, and it takes money away that small businesses could use to invest and expand.

This liability system of ours is, what I'm telling you, is out of control. And you have people in this area and the doctors in this area understand what I'm talking about. A recent study ranked Madison County the number one place in the country for trial lawyers to sue. And that's a ranking I'm sure you'd like to get rid of. And those of you traveling in from St. Clair County aren't doing much better. [*Laughter*] St. Clair is ranked the second county in America where you're likely to get sued. In other words, if you see a team of trial lawyers spending a lot of time in the Collinsville area, you can be pretty sure they're not looking for horseradish. [*Laughter*]

Let me share some of the stories of the folks I met with today. I think this will help clarify what I'm trying to say to you. Dr. Chris Heffner is with us. He's a neurosurgeon from Belleville Memorial and St. Elizabeth Hospitals. Raise your hand, Doc. He is one of only two neurosurgeons still practicing south of Springfield, Illinois. You've got two people in the area. In just 2 years, his annual premiums have more than doubled from $131,000 a year to $265,000 a year. And at the same time, his amount of insurance coverage has been cut in half.

A few years ago, Chris decided that closing his head trauma part of his practice was the only way he could afford to stay in this area. He told me he loves living here in this part of the world. He likes to raise his family here. He and his wife made a tough decision to stay here, in spite of the fact that his premiums doubled and he got half the coverage. And so the only way he could stay here and to provide a level of care that he wants everybody to have was to cut out part of his practice. He still treats dozens of patients with spinal cord injuries, but now brain trauma victims in southern Illinois have to be airlifted across the river to St. Louis. He said, "It's very distressing. I spent years of training to do brain surgery. It's a big part of my life. I made a commitment to stay here, but I had to make adjustments to keep the ax from falling." The system needs to be fixed.

Dr. Greg Gabliani is with us. He's from Alton, and he is a cardiologist. He was raised in Quincy, and he moved to Madison County in 2001, even though his colleagues warned him about the medical liability crisis here. In 3 years, his premiums have risen from $12,500 to $60,000 a year—3 quick years. Last year he had to stop performing certain procedures to bring his costs under control. He said, "You either have to change the nature of your practice, or you have to leave." He didn't want to leave, so he's having to cut back on his services. We've got a problem, folks.

I met with Bob Moore. He's the CEO of Red Bud Regional Hospital. That's big Bob. He's a father of six, I want you to know. [*Laughter*] His hospital has a long tradition of delivering babies, but this past November, he made the difficult decision to close his ob unit. The malpractice—see, he had the—they employ the doctors in his hospital. They become the employer. They're going to cover the insurance for them, and it doubled from $150,000 to $270,000—more than doubled. They're paying $270,000 a year now. That's a lot for a little hospital in a small town. Maybe for a big hospital, it's not a lot, or for those of us who are used to dealing with the Federal budget, it's not a lot. [*Laughter*] It's a lot for a small town hospital.

Red Bud used to handle 120 deliveries a year. But now a lot of the women have to drive an hour to get to an ob unit. He

said, "You wouldn't get an ob-gyn to come here. It's affecting rural medicine." "It" happens to be the medical liability crisis, is affecting rural medicine. Lawsuits are affecting rural medicine. It's a societal issue that has to be dealt with. I couldn't put it any better, Bob. It is a societal issue that we must deal with. It is a quality of life issue. We don't want our little towns being—not having any health care. We want people who live in rural America, like Crawford, Texas—[*laughter*]—to be able to get—to have a quality of life—[*applause*].

Leslie Scariano is with us. She is an ob-gyn from Alton. She spent her entire career as a doctor in southern Illinois, and she has never been sued. She is a good doc. She shut down her practice on December the 31st of this year because her premiums have skyrocketed out of control. That means she couldn't afford to stay in practice. She had a choice to make: quit practicing medicine, or go broke. She said, "I don't want to quit practicing medicine and I'm not going broke, so I'm going to move to Colorado." You lost a good soul from this part of the world because the system is out of control. Leslie's premiums will be about 80 percent lower in Colorado than here in Illinois.

I met with Kim Vogel, who is right with us—yes, there she is. She was one of Leslie's patients. She's expecting her second child early next month—like, soon. [*Laughter*] When she found out she was pregnant last year, Kim started seeing the ob-gyn that delivered her daughter, Katie. That ob-gyn moved to Tennessee. Then she started seeing Leslie. Leslie is moving to Colorado. Kim is now on her third ob-gyn, and she's worried about it. She said, "I understand the doctors' position. I don't blame them. But as a patient, I see them leave and I think, what am I going to do now, and where does that leave me? I feel like I've lost control over how my pregnancy will go."

Unfortunately, this is not just a story confined to this part of the world. This is a story of pregnant moms all over America who are wondering whether or not they're going to be able to find good quality health care for their child and themselves. I've come to this part of the world because I want to assure you that, one, I understand the problem and I intend to work with Congress to do something about it.

You know, when I was the Governor of Texas, I felt that we could solve medical liability issues at the State level. And there was two things wrong with that strategy. One is that a State would pass good medical liability reform, and all the trial lawyers would do is go to the State that has lousy medical liability law. So you're not solving the problem, you're just shifting the problem. You're making the quality of life issue go from one area—the deterioration of quality of life issue go from one area to the next. That didn't seem to make any sense.

But the other thing I discovered is that because of medical liability problems and lawsuits and increasing premiums and the defensive practice of medicine, your Federal budget spends $28 billion a year, extra money. See, we have to pay for Medicaid and Medicare and veterans' benefits. The rising cost of health care, the number of lawsuits, the defensive practice of medicine is driving up the cost to our taxpayers. Medical liability reform is a national issue, and it requires a national solution.

So I went to Congress with some proposals that I think are fair, proposals that will build confidence in the judicial system. Nobody likes to come to a part of the world that says the judicial system is out of control, and people lose confidence in it. We've got to have confidence in the fairness of our system. We want people who are harmed to be able to get—have their day in court and get fair treatment in the courts of law. But we want—we don't want a system that's so tilted the other way that it runs good doctors out of business and makes it hard for hospitals to deliver care.

I believe a victim of a legitimate medical error should be allowed to collect full economic damages, 100 percent of the cost of their medical care and recovery plus economic losses for the rest of their life. Seems to be fair, if you get hurt. And when appropriate, injured people should be allowed to collect reasonable noneconomic damages. And in the case of truly egregious wrongdoing, patients should be entitled to punitive damages. But there needs to be some reason when it comes to noneconomic damages in the system, and that's why I proposed a hard cap of $250,000 on noneconomic damages.

Interestingly enough, the State of California has a cap on noneconomic damages that was enacted in 1975. Patients in that State see their claims settled a third faster than in States without those limits. In other words, patients are treated more fairly where there's a cap. And since 1975, insurance premiums for California doctors have become much more affordable premiums than anywhere else in the country—than in most States. Caps on noneconomic damages work. It's a good idea, and the Congress ought to adopt them.

We have another problem with our legal system, and that is trial lawyers sometimes sue all the doctors involved in the patient's case even if most of the doctors have nothing to do with the patient's injuries. It's simply unfair to punish doctors who have done nothing wrong. And so to make sure doctors and hospitals are treated fairly, Congress needs to pass joint and several liability reform.

I think the people are beginning to understand the importance of this issue. I know you do. I know the people of this part of the world understand it, because you see firsthand what happens when the system gets out of control: 160 docs leave 2 counties. People understand that no patient has ever been healed by a frivolous lawsuit; no small business has ever grown because of a frivolous lawsuit; the cause of justice is never served by frivolous lawsuit.

I know you're serious about this liability issue here. I talked about it everywhere I went on the campaign—nearly everywhere I went on the campaign trail, and I believe the voters made their position clear on election day about medical liability.

The House passed a good medical liability reform bill last year. I want to thank the two Members of Congress for working on it. The Senate failed to get the job done. Well, the new Congress is starting over, you know. We've got a new chance to get something done for the—on behalf of the American people. Both Houses will have a fresh opportunity to address this issue. I'm looking forward to working with the leadership of the House to get the bill moving. It's important for the United States Senators from this State and other States to recognize the significance of the problem and get a meaningful, real medical liability bill to my desk so I can sign it in the year 2005.

Junk lawsuits affect more than just the medical field. According to a recent study, frivolous litigation has helped drive the total cost of our tort system to more than $230 billion a year. That's the equivalent of $3,200 for every family of four. The lawsuit burden falls especially hard on small businesses. And yet small businesses are the engine of job—are the engines of job creation in our country. Seventy percent of all new jobs in America are created by small businesses. The tort costs in America are now far higher than in any other major industrialized nation. Think about that. We live in a competitive world. This is a global economy, and so our tort system has become a needless disadvantage for American manufacturers and entrepreneurs.

And so here are some actions Congress can take as well. To protect small businesses and workers, we need to change the way we handle class-action lawsuits. Interestingly enough, this is another problem you know well in Madison County. The

number of class actions filed here increased by over 5,000 percent between 1998 and 2003, even though the vast majority of defendants named in those suits are not actually from Madison County. Think about that. These massive interstate class actions clog your local courts. They hurt the honest workers and communities of the businesses targeted by the class-action lawyers. The proper place for large interstate class actions to be tried is not in a local court but rather in a Federal court, which are designed—[*applause*]. I look forward to working with both bodies and members of both parties to get good class-action reform out of the Congress this year.

I'll also work with Congress to reform asbestos litigation. Asbestos lawsuits in southern Illinois and elsewhere have led to the bankruptcy of dozens of companies and cost tens of thousands of jobs. Many asbestos claims are filed on behalf of people who are not sick. The volume of asbestos lawsuits is beyond the capacity of our courts to handle, and it is growing. More than 100,000 new asbestos claims were filed last year alone. Congress has begun considering options to improve the current system for handling asbestos lawsuits. They need to act and get the job done. I look forward to signing an asbestos reform in 2005.

I think we're sent to Washington to solve problems, not to pass them on to future Congresses. I believe we are called to do the hard work to make our communities and quality of life a better place. And it's hard work for some in Congress to stand up to the trial lawyers. I understand that. But all we're asking for is fairness. We want our doctors treated fairly. We want the hospitals treated fairly. And most of all, we want the patients and the American people treated fairly.

And I appreciate you all giving me a chance to come by and talk about the vital issue of legal reform. I intend to go back to Washington here shortly, and when I see Members of the Congress as I work this issue, I'm going to say, "I spoke to the good folks of southern Illinois. They understand the problem, and they expect you, Members of the United States Senate and the United States House of Representatives, to get the job done."

Thanks for coming by to say hello. I hope you and your families have a blessed and healthy 2005. May God bless you all.

NOTE: The President spoke at 1:13 p.m. at the Gateway Center. In his remarks, he referred to Tom Cross, minority leader, Illinois House of Representatives; and Mayor Stan Schaeffer of Collinsville, IL.

Remarks Following a Meeting With Congressional Leaders
January 6, 2005

Class-Action Lawsuit Reform

I am very grateful that Members of the United States Senate and the House of Representatives, Members from both political parties, have come to discuss the need for the Congress and the administration to work together to get meaningful, real class-action lawsuit reform.

Class-action lawsuits have become a problem in the United States. The judicial system is not fair. It is unbalanced. It is tilted. And Members around this table understand that, and Members around this table are willing to set aside their political party to do what is right for worker and businessowner alike.

We had a very good discussion. It's a discussion that says to me that it is very possible that a good piece of legislation can

move quickly this year out of both the Senate and the House, get it to conference quickly, and get it to my desk quickly, to show the American people that both parties are willing to work together to solve problems. We have a problem with class-action lawsuits. It is a problem that we all recognize, and it's a problem we intend to fix.

And I want to thank the Members for coming. I'm honored you are here, and I look forward to working with you. Thank you very much.

NOTE: The President spoke at 1:50 p.m. in the Cabinet Room at the White House.

Message to the Congress Transmitting an Extension of the Russia-United States Mutual Fisheries Agreement
January 6, 2005

To the Congress of the United States:

Consistent with the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 *et seq.*), I transmit herewith an Agreement between the Government of the United States of America and the Government of the Russian Federation extending the Agreement Between the Government of the United States and the Government of the Russian Federation on Mutual Fisheries Relations of May 31, 1999, with annex, as extended (the "Mutual Fisheries Agreement"). The present Agreement, which was affected by an exchange of notes in Moscow on March 3, 2003, and January 30, 2004, extends the Mutual Fisheries Agreement to December 31, 2008.

In light of the importance of our fisheries relationship with the Russian Federation, I urge the Congress to give favorable consideration to this Agreement at an early date.

GEORGE W. BUSH

The White House,
January 6, 2005.

Remarks on the Appointment of Connie Mack as Chairman and John B. Breaux as Vice Chairman of the President's Advisory Panel on Federal Tax Reform and an Exchange With Reporters
January 7, 2005

The President. I want to thank the Secretary of the Treasury, John Snow, for being here today. I also want to thank my friend Senator—Senators Connie Mack and John Breaux for agreeing to head a group of citizens who will be exploring ways to simplify the Tax Code. I believe this is an essential task for our country. It's a task that will treat our taxpayers more fairly. A simple code will make it easier on the taxpayers. But it's an important task in order to make sure the economic growth we are seeing in the United States continues forward.

Today we had a very positive set of numbers to—come out to show that more and more Americans are finding work; 159,000 new jobs were added in December, and that doesn't include the revisions from previous months. And that's positive news. And

the fundamental question is how can the administration and the Congress continue to make changes so—to keep this economy growing, to make sure we're the best place in the world to do business.

Today I'm going to Detroit to talk about legal reform. These fine, distinguished citizens will be taking a good, hard look at the Tax Code and coming up with recommendations as to how to make sure the Tax Code encourages economic vitality and growth. It seems like to me the Tax Code today discourages economic vitality and growth when you spend billions of hours filling out the forms. And so I want to thank you all for taking on this important job.

I told the members—the former Senators and members of this committee that I am firm in my desire to get something done. We're going to take their work, and we'll go to the Congress and say, "Let's work together to achieve something very constructive for the American people." And so thanks for taking this on.

Senator Breaux. Glad to do it.

The President. These are distinguished citizens of our country, and I'm proud you're here.

Senator Breaux. Thank you.

Senator Mack. Look forward to doing it.

The President. Yes, you're doing a good job.

Let me answer some questions. Hunt [Terence Hunt, Associated Press].

Upcoming Iraqi Elections

Q. Mr. President, former National Security Adviser Brent Scowcroft had a gloomy assessment about Iraq's elections. He said that they would probably deepen the conflict, increase divisions between the Shiite and Sunni Muslims, and that Iraq would slip into an incipient civil war. Do you share those concerns?

The President. Quite the opposite. I think elections will be such an incredibly hopeful experience for the Iraqi people. Remember, these are people that lived in a society where, if they didn't toe the line of the leadership, they'd be tortured or killed or maimed. And all of a sudden, a new way of life is being introduced into Iraq, a chance for people to express their beliefs and their opinions. I believe democracies can take hold in parts of the world that have been condemned to tyranny. And I believe when democracies take hold, it leads to peace. That's been the proven example around the world. Democracies equal peace, and that's what we're trying to achieve in this administration.

Steve Holland [Reuters].

Threat of Terrorist Attacks During Upcoming Iraqi Elections

Q. Yes, sir.

The President. Yes, there you are.

Q. General Metz says he can't guarantee that every Iraqi who wants to vote will be able to because of security. Can there be a legitimate election if not everybody is able to vote?

The President. Fourteen of the eighteen Provinces appear to be relatively calm. Four of the eighteen Provinces are places where the terrorists are trying to stop people from voting. And the reason they're trying to stop people from voting is because they understand that democracies stand in the exact opposite to what they believe. These are people who want to try to impose their will on people. These are people—just like the Taliban, just like Usama bin Laden—who have this dim vision of the world that says, "If you do not agree with us, then you're of no count." And they're trying to stop people from voting. And the job of the United States military is to do the best job we can to give every citizen the best chance they can to vote and to participate. Democracy is hard. Our own country has had a history of kind of a bumpy road toward democracy. And we'll do the very best we can, but what is important is that the Iraqi people for the first time have a chance to vote.

And it was hard leading up the Afghan elections, as you remember. There was a lot of talk about how the—somebody was going to get killed, and they couldn't vote. And sure enough, when people were given a chance, millions of people showed up, and the first voter was a woman in a country where women had been savaged by the former government run by the Taliban. So, look, I know it's hard, but it's hard for a reason. And the reason it's hard is because there are a handful of folks who fear freedom. And the job of the world that—that those of us in the world who desire for there to be peace is to be aggressive in the spread of freedom, is to stand with those brave citizens in Iraq who want to vote. And that's exactly what we will do.

Go ahead. Followup?

Spread of Democracy in the Middle East

Q. Are you worried about Sunni participation? You were talking to President Mubarak and King Abdullah earlier in the week.

The President. Well, I want everybody to vote. And I understand that parts of the Sunni area are being targeted by these killers. And their message is, "If you vote, we'll kill you." But their real message is, is that, "We can't stand democracy." And if the free world steps back and lets these people have their way, it will be, "We can't stand democracy here," and then "We can't democracy there." And we'll never address the root causes of terror and hatred, which is frustration caused by tyranny.

This administration firmly believes that if people are given a right to express themselves in a ballot—in the ballot box and in the public square and through a free and open press, it will lead to peace. If we step back and allow for tyrannies to exist and people not to be free, the world our children will grow up in will be a hostile world. And this is a big moment for the Iraqi people.

It wasn't all that long ago that a lot of people said, "Iraqi people will never vote at all." I think it's constructive now we're beginning to worry about the size of the turnout. It's something I was worried about right here two months ago, the size of the turnout. But the positive, incredibly amazing development, when you take a step back and look at history, is that Iraqi citizens will actually be allowed to go vote. And they will elect an assembly. And I think one of the things, Steve, you ought to be looking at is the nature of the assembly, who gets elected. And that's what we're certainly going to be looking at because this assembly will then be deciding the constitution of the country of Iraq. And I look at the elections as a historical marker for our Iraq policy. It is an interesting point.

And we look forward to working with the new Government that comes out of that—out of these elections.

Yes, John [John Cochran, ABC News].

Democratically Elected Government in Iraq

Q. If I could follow that up, sir, a couple of things. You said, "Look at the assembly." Are you concerned that maybe the Sunnis won't vote enough and that the Sunnis will not be well represented in the assembly? And are you concerned, as Secretary Rumsfeld is—he's sending this retired four-star general over—are you concerned about our military policy in Iraq that it's not doing enough to control the insurgents?

The President. Look, I think what you're beginning to see is a—an assessment of how to make sure our policy dovetails with the elections and the post-election period. You see, our policy all along has been: We'll help these people get to the elections, and there will be elections. And then once the elections take place, we look forward to working with the newly constituted Government to help train Iraqis as fast as possible so they can defend themselves. See, part of a successful strategy is one that says there'll be elections and the political process will be going forward but one in which the Iraqis assume more and more responsibility for their own security. And

that's precisely why the assessment team is going to Iraq, to make sure that at this historic moment in the history of Iraq, there is a focused, determined strategy to help the new Government and the new and the—the new Government to stand up the forces necessary to defend themselves because ultimately the success in Iraq is going to be the willingness of the Iraqi citizens to fight for their own freedom.

Q. So you're not dissatisfied?

The President. I think we're making great progress. We're having elections on January the 30th. It's going to be an historic moment. I suspect if you were asking me questions 18 months ago and I said there was going to be elections in Iraq, you would have had trouble containing yourself from laughing out loud at the President. But here we are at this moment, and it's exciting times for the Iraqi people. And it's so exciting, there are some who are trying to intimidate people from going to the polls.

And I appreciate—listen, our military is doing great work over there.

Q. And the Sunnis?

The President. Well, I talked to President Yawr the other day. He's a Sunni. I said, "How's your campaign going?" He said, "It's going fine." He's out there trying to convince people to vote for him. There are Sunnis throughout the different tickets and slates, and we, of course, hope everybody votes. And our job is to try to provide as much security along with the Iraqis to give people a chance to express their will. And no doubt about it, there are people trying to kill people who want to vote. That's—and they make it clear, "If you vote, we'll kill you." But it's very important to understand why they're doing that, John. They're doing that because the thought of a democracy in that part of the world is the most frightening thing to the terrorists. They cannot stand the thought of freedom in their midst. And there's a reason, because free societies are societies that actually listen to the will of the people. The people get to decide the course of their—of the history of their country, not a few tyrants who are willing to use brutality in order to set the direction of the country. And we're going to stand with those who love freedom. And we'll stand with those who want to vote.

Thank you all very much.

NOTE: The President spoke at 9:30 a.m. in the Oval Office at the White House. In his remarks, he referred to President Ghazi al-Ujayl al-Yawr of the Iraqi Interim Government. Reporters referred to Lt. Gen. Thomas F. Metz, USA, commander, Multi-National Corps—Iraq; President Hosni Mubarak of Egypt; and King Abdullah II of Jordan. A reporter referred to Gen. Gary E. Luck, USA (Ret.), head of a Department of Defense Iraqi security forces development assessment team. The Executive order of January 7 establishing the President's Advisory Panel on Federal Tax Reform is listed in Appendix D at the end of this volume.

Remarks on the Nomination of Robert B. Zoellick To Be Deputy Secretary of State

January 7, 2005

The President. I am so pleased that upon the recommendations of the Secretary of State Designee Rice that Bob Zoellick has agreed to serve as Deputy Secretary of State upon confirmation by the Senate. Condi Rice and Bob Zoellick will form one of the really strong, capable foreign policy teams our country has ever had.

I've known Zoellick for a long time. He's a—he is a fine public servant. I asked him to serve as our trade minister, and he did a fantastic job. And as he departs to the State Department, upon Senate confirmation, I want to assure the American people this administration is committed to free trade. I look forward to finding a replacement for Bob Zoellick that will be able to carry on our desire to spread free trade around the world.

In the meantime, I look forward to a quick confirmation for Condi and Bob so they can go over to the State Department and carry on the foreign policy of this administration. Thank you all very much.

Thanks for serving.

Ambassador Zoellick. Thank you, Mr. President.

The President. Glad you're going to do it.

Ambassador Zoellick. Thanks.

Secretary-designate Rice. Mr. President——

The President. Good choice.

Secretary-designate Rice. Thank you, sir.

The President. Thank you all. See you in Detroit.

NOTE: The President spoke at 10:11 a.m. on the South Lawn at the White House.

Remarks in a Discussion on Asbestos Litigation Reform in Clinton Township, Michigan
January 7, 2005

The President. Thank you. Thanks for coming today. Please be seated. We've got a lot of work to do here. [*Laughter*] Thank you for such a warm greeting, and I want to thank some of our fellow citizens for joining me here on the stage. We're about to have an interesting conversation on a vital issue that confronts our country, and that has to do with asbestos litigation. And I want to thank you all for joining us.

I think you're going to find their stories to be very interesting and very compelling as to why this country needs to act and to solve a problem. One of the reasons people run for office, or at least the main reason they run for office, should be to see problems and solve problems so that the country is better off because of our actions.

I want to thank Al Lorenzo and the good folks here at Macomb Community College for allowing us to use your beautiful facility. I believe that the community college system is a vital part of making sure that America remains a competitive place to do business. After all, one of the ways to ensure that our business sector is strong and viable is to have a workforce that is skilled—that is trained for the skills of the 21st century. And there is no better place than the community college system of America to provide those skills for jobs which actually exist. So thanks for having us here. I'm honored to be here.

Today I traveled from Washington on mighty Air Force One with four Members of the United States Congress from Michigan. I hope they came down to hear this presentation. I suspect they might have liked the accommodations. [*Laughter*] But I'm proud of all four. Congressman Mike Rogers is with us today. Thank you, Mike. Thad McCotter is with us. Congressman, thank you for coming. Joe Knollenberg is with us—Congressman Knollenberg. And finally, Congresswoman Candice Miller has joined us. Thank you, Candice. [*Applause*] It sounds like they've heard of you. That's good. And you brought along husband, Don. I appreciate Don. Don and I visited

about flying F–102s together. I appreciate you all coming.

I want to thank all the State and local officials who are here. I want to thank our fellow citizens who've joined us. Today, when I landed at the airbase, I met Colonel Don Kotchman who is with us today. Don, thank you for coming. You know, I appreciate Don wearing our Nation's uniform, but more importantly, I appreciate the fact that he is a Boy Scout leader. He is a—and the reason I like to herald a person like Don is because the true strength of the country is the heart and souls of the American citizens. That's our strength. I mean, our military is mighty, and we'll keep it that way. Our economy is getting better, and we intend to keep it that way. But the real strength of this country is the fact that thousands and thousands of our citizens take time out of their lives to try to make somebody else's life better.

And I want to appreciate you for being a volunteer, a soldier in the army of compassion, Colonel. And I want to—again, I want—for all of you who are out there who are looking for some way to serve your community and our country, love your neighbor like you'd like to be loved yourself, and you'll be doing our country a great service.

Speaking about a nation, a loving nation providing care, I met with my little brother last night, the Governor of Florida, Jeb, who just had come back from the part of the world that was affected by the tsunamis. I'll be talking to Colin Powell on Monday. Jeb tells me of the extraordinary efforts that are being made on behalf of the suffering people by our aid workers and, most particularly, by our United States military. You know, we're good fighters, but we're also incredibly compassionate people. And our military is flying chopper lift after chopper lift after chopper lift to get needed supplies to help alleviate the incredible suffering that has gone on. I am proud of the efforts we have made. I will be proud of the efforts we will make, because this compassionate country will help those around the world who hurt as a result of these natural disasters.

We have a lot to do besides relieving suffering around the world. We've got to spread freedom. I mean, one way to relieve suffering is to encourage people to be free. And on my mind right now is the fact that the people of Iraq will be voting on January the 30th. I was asked today—I want to thank our military and the military families for making this vote possible. I was asked today about all different aspects of the upcoming vote. They were talking about turnout. I said I know something about turnout. [*Laughter*] In democracy, we think about turnouts. And so I'm excited for the people of Iraq. I'm excited for the fact that they have a chance to go to the polls. It's an amazing accomplishment.

And again, I want to thank our troops and those on the ground there who are helping this historic moment to arrive. You've probably have read where we have sent some military folks over to assess the situation there. What we have done is we've sent military people over to assess how we can help the newly elected Government after January 30th do their job of helping to train their people so they can protect themselves against the few who want to stop the march of democracy in that part of the world.

And so this year we will do everything we can to help the Iraqis assume the responsibilities necessary to defeat those who want to stop the good people of that country from being able to exercise their free will. We'll do everything we can to protect our homeland.

At home, we've got some good economic news today. There's a net job increase—or new job increase of 157,000 jobs for December. I said 159,000 in the Oval Office. I stand corrected: It was 157,000 new jobs for December, which is good news. More and more people are finding work.

And the fundamental question confronting the administration and the Congress is: What do we do to continue to expand the economic growth here in the country? And I've got some ideas on what to do, and I look forward to working with the Congress to see that those ideas come to fruition.

One is we've got to be wise about how we spend your money. It's essential in the budgets that I propose and the budget that Congress passes that it is very clear that we understand that in order to make sure there's confidence in our economy, that we cut the deficit in half over 5 years. And I look forward to working with the spenders in Congress to do just that.

I know—I think—I'm confident we need to keep taxes low. One of the reasons why our small-business sector is so vibrant and strong today is because taxes on small businesses have been lowered. We intend to keep them low in this administration. I know we've got to do a better job of getting Congress to pass a energy plan. We must become less dependent on foreign sources of energy if we expect this economy to continue to grow.

And another thing we need to do is to make sure that we tackle big problems, like the Social Security problem. We have a problem with Social Security, and it is this: The number of payers paying into the system are dwindling on an annual basis, so that by the time baby boomers like me get ready to receive the promise of the Government, there's not going to be enough money in the system. And so I'm saying to Congress, "Let's fix it now." We have a duty, it seems like to me, to confront problems.

I look forward with—working with the Congress, members of both parties, to show our country we can confront big problems. I don't have a specific plan. I'm listening to all ideas. Everything should be on the table, as far as I'm concerned, except for the following: One, people who are retired or near retirement should see nothing changed in the system. And part of the problem in dealing with Social Security is that it's been a way for some to scare seniors, saying, "Look, if they modernize the system, the seniors won't get their checks." Forget it. You're going to get your check. Nothing will change.

I'm talking about how we deal with the problem for younger workers, most of whom think they'll never see anything to begin with. And I believe we can do so without running up payroll taxes, and I believe one interesting change, one innovative response to this issue is to allow younger workers to take some of their own money and set it aside in a personal savings account that will earn a better rate of return than the money inside the Social Security trust, an account they can call their own.

A way to make sure America is the best place to do business in the world, a way to make sure jobs continue to exist here is to tackle the tough issues of legal reform. We have too many junk lawsuits in our system, pure and simple, and frivolous and junk lawsuits cost our economy about $240 billion a year. That's a problem. We are one of the most—I think maybe the most litigious society in the industrialized world, which is a competitive disadvantage that we have in a global economy. And therefore, in order to make sure jobs stay here and jobs are increased here, we must be more competitive. And in order to be so, it seems like to me it makes sense to reform our legal systems.

I'm calling on Congress to address three issues as to when it—as to legal reform. One is to make sure that there is available and affordable health care by reforming medical liability law. There's too many lawsuits around this country that are driving too many good doctors out of practice, that are driving up the cost of medicine. The cost of practicing defensive medicine in order to stay out of the courthouse or to defend—to provide the defense necessary in case of a frivolous lawsuit is costing you $28 billion a year at the Federal level. And

it's a problem. And I look forward to working with Congress to solve this medical liability issue.

We need to reform the class-action lawsuit problem. We've got—these lawsuits are being filed; they have an impact on our economy. They—many times, the lawyers get the money, and the people don't. They are—these suits that have got interstate claimants really ought to be in the Federal court. The system right now allows people to shop for a court of law that is convenient to their case or place where they can find a sympathetic jury. And I think in order to make sure the system works better, Congress needs to reform the class-action lawsuit provisions of law and enable claimants to be able to argue their case in a Federal case—Federal court of law, as opposed to a sympathetic local court of law.

And finally, we're here to talk about asbestos lawsuits. We've got a problem. The Supreme Court recognized it as a problem. They said, it is a huge mass of—the huge mass of asbestos cases "defies customary judicial administration and calls for national legislation." That's a better—it's better that they define it than me. After all, these are all lawyers and judges; I'm not. But when they say—the Supreme Court says we have a national problem, I think Congress needs to listen.

And why is it a national problem? Well, first of all, we're spending about $80 billion on asbestos litigation, and that could end up being 200 billion over time.

Secondly, these asbestos suits have bankrupted a lot of companies, and that affects the workers here in Michigan and around the country.

Thirdly, those with no major medal [medical] * impairment now make up the vast majority of claims, while those who are truly sick are denied their day in court. We'll hear a little bit about that—we'll hear more about that a little bit later.

It's a—most of the asbestos producers are now bankrupt so that lawyers target companies once considered too small to sue or once considered to be not really directly involved with the manufacturing of asbestos. Because there's nobody else to sue, they try to drag in people that aren't directly involved with the manufacturing of asbestos. We'll hear about what that means here as well.

This is a national problem, as the Supreme Court said, that requires a national solution. And we're here today to talk about the national problem. I look forward to working with Congress to create a national solution. There are some principles which I think ought to govern Congress's actions.

First, funds should be concentrated on those who are sick, not lawyers or claimants who are not ill. In other words, people have been affected by asbestos. There's no doubt about it. You'll hear a story here today about a loved one whose family suffered as a result of that. But most of the money isn't going to those people who have been truly sick. It's going to people who think they might be sick, and that hurts the system.

Secondly, we need to speed up the process for delivering justice to deserving victims. So as Congress considers what ought to be done, they need to keep in mind those who have been truly harmed by asbestos.

Third, we need to provide certainty in the system, which will help save jobs and protect businesses that had nothing to do with creating the asbestos problem, and that's important. And so, as Congress moves—and I'm confident we can get something done. We'll, of course, need your help. I intend to help by keeping this issue on the front burner.

And we've got some citizens up here who want to help today too. And we're going to start by hearing from Lester Brickman. Lester, tell them what you do.

Lester Brickman. I'm a law professor at the Benjamin N. Cardozo School of Law

* White House correction.

at Yeshiva University, and I write extensively on the issue of asbestos litigation.

The President. So what he just said is he's going to give you an expert—I gave you a layman's opinion about all this. [*Laughter*] He's going to give you an expert opinion about all this.

Tell us what the problem is. Tell us—just give us a little history and educate people.

[*At this point, Mr. Brickman made brief remarks.*]

The President. I think my State of Texas was pretty famous for being a place where people would file these suits. As a matter of fact, if I'm not mistaken, we might have had 4, 5, 6 thousand lawsuits dumped on a local court at a time from around the country.

Mr. Brickman. That is correct. Lawsuits from around the country used to be filed in Texas, even though the plaintiffs never had set foot in Texas, even though the alleged injury had nothing to do with Texas, took place miles away, or hundreds of thousands of miles away. But the Texas courts, in those days, before tort reform——

The President. I was hoping you would bring that up. [*Laughter*] Kind of leading the witness here. [*Laughter*] No, no. But it's happening in another State.

Mr. Brickman. The law reform that you championed in Texas actually has spread to other States.

The President. Yes.

Mr. Brickman. And that's a good thing.

The President. The reason I was going to bring it up, is that when you have that many suits filed, it makes it hard for somebody who has got a legitimate claim to have their day in court. That's what we want. We want a court system that's fair. We want the scales of justice to be balanced, and the scales of justice are not balanced.

[*Mr. Brickman made further remarks.*]

The President. And people need to understand, when they go into bankruptcy—that's a legal term—but people are losing jobs, which is a real human tragedy. That's what these lawsuits are causing.

We've got some small-business owners with us today. I think you'll find their stories sad and compelling. Bruce McFee, that would be you.

Bruce McFee. Well, thank you, Mr. President.

The President. Thanks for coming.

Mr. McFee. It's an honor to be here.

The President. First, tell us about your company.

[*Mr. McFee, president, Saylor-Beall Manufacturing Co., St. Johns, MI, made brief remarks.*]

The President. Okay, good. And you're the president of the company?

Mr. McFee. I'm the president, yes.

The President. Mr. President. [*Laughter*] And so, why are you here?

Mr. McFee. Well, that's a good question. [*Laughter*] I believe the reason I am here is because we have been named in asbestos lawsuits, due to a mistaken identity. We're being sued for things that we never made. We're being sued for things we never did.

The President. Yes, give the people a little history of your company. Because this is a typical story, as a result of these frivolous lawsuits.

[*Mr. McFee made further remarks.*]

The President. Right. So what is the rationale for suing you?

[*Mr. McFee made further remarks.*]

The President. How many employees have you got?

Mr. McFee. We've got a little over 100.

The President. This is classic small business in America—100 employees, would like to be expanding, I presume, would like to be increasing the workforce. And yet money is going out the door to pay for 53 junk lawsuits.

[*Mr. McFee made further remarks.*]

The President. This is a case of why frivolous lawsuits hurt our economy. This is money that they are spending that could be better spent on employee health benefits, expanding the business.

[*Mr. McFee made further remarks.*]

The President. Right. Well, thanks for sharing with us.

Mr. McFee. Thank you, Mr. President.

The President. Mr. President. [*Laughter*] Frank Sullivan—welcome, Frank. Thanks for coming. Where do you live? What's the name of your company? Are you the president?

Frank C. Sullivan. Yes, sir, I am the president. [*Laughter*]

The President. Mr. President. [*Laughter*]

Mr. Sullivan. I first want to thank you very much for your leadership on this issue. It is slowly destroying our country's manufacturing base.

[*Mr. Sullivan, president and chief executive officer, RPM International, Inc., Medina, OH, continued his remarks.*]

The President. Congress needs to act. I mean, I can't make it any more plainly than to listen to these two stories here. I appreciate you sharing that with us. I guess what happened is the big manufacturers no longer exist, and so these lawyers keep searching and searching and searching until they find medium-sized businesses and small businesses. It's not right. It just isn't. We want a legal system that works in America. I want people to say, "The system is fair." And folks, the system isn't fair right now. It's not fair to those who are getting sued, and it's not fair for those who justly deserve compensation.

And I want you to hear the story from Mary Lou Keener. Mary Lou has served our Government. She is a public servant, but she's here to talk about her dad.

[*Mary Lou Keener made brief remarks.*]

The President. There you go. Good job. Well, there you have it. The system isn't fair. It's not fair to those who have been harmed. It's not fair to those who are trying to employ people. It's just not fair.

And so I've come to the great State of Michigan to help—I asked these citizens to help highlight a problem. And we have a duty to solve problems, and this is a problem. And I hope you let your Senators know and your Congresspeople know that we've got a problem and that you as citizens expect people of good will to come together, to forget vested interests, to focus on a solution for the good of the people of this country.

I want to thank you all for coming to give us a chance to discuss this vital issue. I told Mary Lou—I told you too—that I intend to make this an issue. Starting today, we've made it an issue for the year 2005, and I look forward to working with the Congress to get something done.

God bless you all, and thanks for coming.

NOTE: The President spoke at 12:15 p.m. in the Macomb Center for the Performing Arts at Macomb Community College. In his remarks, he referred to Albert Lorenzo, president, Macomb Community College.

The President's Radio Address
January 8, 2005

Good morning. Americans continue to mourn the victims of the devastating tsunamis in the Indian Ocean. More than 150,000 lives are now feared lost, including tens of thousands of children.

Communities have been decimated from Indonesia to Thailand to India to East Africa. Thousands are missing or injured, and millions are thought to be homeless or without food and clean water.

The world has united behind this urgent cause, and the United States is taking a leading role. We're working with other governments, relief organizations, and the United Nations to coordinate a swift and effective international response. We are rushing food, medicine, and other vital supplies to the region. And we are focusing efforts on helping the women and children who need special attention, including protection from the evil of human trafficking.

This past week, I sent a delegation led by Secretary of State Colin Powell and Governor Jeb Bush of Florida to the Indian Ocean region. They surveyed the damage in several countries, met with local and regional leaders, assessed the relief efforts in place, and began to evaluate what more can be done to help. Secretary Powell reported that American relief efforts are making major visible progress.

We have made an initial commitment of $350 million in aid. And those funds are being distributed promptly to organizations on the ground. Navy vessels, including the U.S.S. *Abraham Lincoln,* have moved into the region to help provide food, medical supplies, and clean water. Helicopters and other military aircraft are meeting critical needs by airlifting supplies directly to victims in remote areas. As in so many other places, our service men and women are showing the courage and compassion of our Nation to the world.

We're also seeing the good heart of America in an outpouring of generosity here at home. Private citizens are showing their compassion in creative and inspiring ways. On a rainy day in Washington State, children sold hot chocolate by the side of the road and gave their profits to charity. Seven professional basketball players pledged to donate $1,000 to UNICEF for every point they scored in a game. American businesses have contributed cash and products, and many are matching donations by their employees. Churches, temples, synagogues, mosques, and other religious congregations are taking up special collections for disaster victims.

To draw even greater amounts of private donations, I asked former Presidents Bill Clinton and George Bush to lead a nationwide charitable fundraising drive. Their mission is to encourage contributions, both large and small, directly to the organizations with recovery efforts underway in the disaster area.

I am grateful to the courageous relief groups that have responded so quickly to this catastrophe, including the Red Cross and Red Crescent, Salvation Army, Catholic Relief Services, Save the Children, CARE, AmeriCares, and many others. Many of these organizations have long experience with natural disasters and in-depth knowledge of the recovery needs. They're in the best position to use donations wisely and effectively.

To encourage support for these groups, I have signed legislation allowing Americans to deduct from their 2004 Federal income tax cash contributions made to tsunami relief efforts this month. I urge all Americans to contribute as they are able. More information about making a donation is available on the Internet at www.usafreedomcorps.gov.

In this time of grief for so many around the world, Americans have come together to pray for the victims and families of the tsunami disaster. We think especially of the children who have been lost and the survivors searching for their families. And we offer our sustained compassion and generosity as the people of the devastated region begin to rebuild.

Thank you for listening.

NOTE: The address was recorded at 7:50 a.m. on January 7 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on January 8. The transcript was made available

by the Office of the Press Secretary on January 7 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Statement on the Palestinian Presidential Election
January 9, 2005

I am heartened by today's strong turnout in the Palestinian elections. Palestinians throughout the West Bank and Gaza took a key step toward building a democratic future by choosing a new President in elections that observers describe as largely free and fair. This is a historic day for the Palestinian people and for the people of the Middle East.

America and all free nations strongly support the efforts of the Palestinian people to create lasting democratic institutions. These efforts—including today's Presidential elections and the parliamentary elections that will follow in several months—are essential for the establishment of a sovereign, independent, viable, democratic, and peaceful Palestinian state that can live alongside a safe and secure Israel. These elections are further proof that, when given a choice, all peoples seek to live in liberty and to choose their own government.

The United States stands ready to help the Palestinian people realize their aspirations. The new Palestinian President and his cabinet face critical tasks ahead, including fighting terrorism, combating corruption, building reformed and democratic institutions, and reviving the Palestinian economy. We look forward to working with him and the Palestinian people to address these challenges and to advance the cause of Middle East peace consistent with the vision I set forth on June 24, 2002, of two states, Israel and Palestine, living side by side in peace and security. Other countries also have constructive and vital roles to play. Israel must help to improve the humanitarian and economic situation in the West Bank and Gaza and follow through with the Disengagement Plan. The Arab States must take concrete steps with all parties to create a regional environment conducive to peace, lend financial support to the Palestinian people, and refuse to assist or harbor terrorists. The United States is looking carefully at how we can best organize and fund our own efforts to help the parties achieve a lasting peace.

NOTE:In his statement, the President referred to President-elect Mahmoud Abbas (Abu Mazen) of the Palestinian Authority.

Statement on the Government of Sudan and the Sudan People's Liberation Movement Comprehensive Peace Agreement
January 9, 2005

I congratulate the Government of Sudan and the Sudan People's Liberation Movement on the signing of a comprehensive peace agreement. I thank all the officials of the United States Government who have worked hard to help achieve this agreement, including Secretary of State Colin Powell, former Special Envoy for Sudan,

Ambassador John Danforth, and the Special Humanitarian Coordinator for Sudan, USAID Administrator Andrew Natsios. I also thank the Intergovernmental Authority on Development, which sponsored the talks, and the Government of Kenya, which hosted them, and the Governments of Norway and the United Kingdom and the African Union, which played constructive roles for peace.

Both sides should be proud of this accomplishment. The difficult work of implementation must now begin. Only the implementation of this agreement in good faith can result in long-term peace and development.

As we celebrate this positive movement toward peace in the longstanding North-South conflict, we remember the conflict in Darfur and the suffering it causes. This comprehensive peace agreement should serve as an inspiration and model for both sides in their work toward negotiating a peaceful resolution of the Darfur conflict. I call on the Government of Sudan and on all Darfur rebel groups to live up to their cease-fire commitments, to end atrocities, and to allow the free movement of humanitarian workers and supplies. The United States will continue to assist the people of Darfur in reaching a just and lasting peace.

Remarks Following a Briefing on Indian Ocean Earthquake and Tsunamis Disaster Relief and an Exchange With Reporters
January 10, 2005

The President. Mr. Secretary, welcome back. I want to thank Secretary Powell and Andrew Natsios and Mike Brown and Marc Grossman for taking the lead on behalf of our Government and the American people and providing relief for the victims of the tsunamis.

The Secretary has given me a extensive briefing on what he has seen, on the unbelievable damage, particularly in Banda Aceh. He's also brought me up to date on the extraordinary efforts by the United States Government and the United States people, along with governments around the world, to provide much needed relief to those who've suffered. We're now entering a second phase of providing for rehabilitation to these affected societies as well as a reconstruction effort.

And as the Secretary said yesterday, the Government of the United States is committed to helping the people who suffer. We're committed today, and we will be committed tomorrow. The outpouring of support from the citizens of our country has been more than heartening. It has been very strong. And I want to thank those who have felt like—felt the need to contribute directly to the relief efforts. I urge them to go to the usafreedomcorps.gov web site to make sure that their cash contributions are funneled to programs which are having the necessary effect of providing relief, eventually rehabilitation and reconstruction, to those who have suffered.

And so, Mr. Secretary, I want to thank you. Andrew, I'm looking forward to going over to your headquarters to thank those NGOs who have been working hard as well as those in your agency who have worked so incredibly hard to show the compassion and decency of the American people during this time of extraordinary crisis.

I'll answer a couple of questions. Jennifer [Jennifer Loven, Associated Press].

Indian Ocean Earthquake and Tsunamis Disaster Relief

Q. Thank you, Mr. President. This long-term commitment by the United States to

the Indian Ocean region—what specifically does that mean? Does it mean more dollars above the 350 million? What are you prepared to do?

The President. Well, we'll see. I think the important thing is to make sure that, as one person noted the other day, that the dollars are demand-driven. In other words, the key is to provide immediate relief, which we are doing, and then to work with governments and the United Nations to assess the needs, the intermediate-term needs and the long-term needs, to make sure the money that is available actually achieves a coordinated objective. And that's what we're in the process of doing.

In other words, these men went in to make sure that the money that we had put up is being applied to provide necessary relief. And now we're in the process of helping to rehabilitate and reconstruct the societies. And they're beginning to focus—the demand is beginning to focus, particularly on the Banda Aceh region. That is the part of the world that is going to require the most intense effort by our—by the governments around the world.

Rosey [James Rosen, FOX News].

Palestinian Presidential Elections

Q. Sir, is there a lesson—is there a lesson in the Palestinian elections that the Iraqi people should see? And what is this administration going to do to build on this election in the Middle East region?

The President. Well, first, I want to offer my congratulations to Mr. Abu Mazen. I look forward to talking with him at the appropriate time. I look forward to welcoming him here to Washington if he chooses to come here. I look forward to helping to make sure that the conference in London, a conference all aimed at helping the Palestinians develop the institutions necessary to support Abu Mazen's vision of a peaceful, active, vibrant state, to become reality. And so we are—this is a man who has been elected by what appears to be a good-sized vote. I'm heartened by the elections, and I'm also looking forward to the Iraqi elections on January the 30th.

This is an extraordinary year, when you think about it. In the first month of a new year, there will be an election in the Palestinian territory and there will be an election in Iraq. Who could have possibly envisioned an election in Iraq at this point in history? And yet we're going to have an election. And I'm sure there are—a lot of people are incredibly excited about the thought of having an election in Iraq—inside the Iraqi territory, except for a handful who want to stop democracy, because they understand what an election means.

And so I'm—as a democrat, as a person who believes in democracy—a Republican democrat, I might add—as someone who believes that everybody has a right to live in a free society and everybody wants to live in a free society, the month of January 2005 is an extraordinary month.

Steve [Steve Holland, Reuters].

Israeli and Palestinian Roles Following Elections

Q. Are there any steps that Israel can take to help the Abbas position, any confidence-building measures? And Abbas called Israel the "Zionist enemy" on the campaign trail. Was that rhetoric helpful?

The President. I think Israel did help with the elections. I know the Secretary worked hard on making it clear to Israel that it was very important that voters in Jerusalem be allowed to have access to the polls. And the initial reports we got back, and on the briefing that the Secretary gave me today about the initial reports on the election, was that there was better than good movement. I mean, it was better than we thought a month ago, that the Israelis did understand the need to have an election.

I think it's going to be very important for Israel to fulfill its obligation on the withdrawal from the territories that they have pledged to withdraw from. It is essential that Israel keep a vision of two states,

living side by side in peace, and that as the Palestinians begin to develop the institutions of a state, that the Israeli Government support the development of those institutions and recognize that it is essential that there be a viable economy, that there be a viable health care system, that people be allowed to start building a society that meets their hopes and needs. And Israel can play and must play an important part of the development of a Palestinian state.

At the same time, it's essential that the Palestinian leadership consolidate security forces, so that they can fight off those few who still have the desire to destroy Israel as a part of their philosophy and those few who fear there to be a free vote amongst the Palestinian people.

Thank you all.

NOTE: The President spoke at 10:20 a.m. in the Oval Office at the White House. In his remarks, he referred to President-elect Mahmoud Abbas (Abu Mazen) of the Palestinian Authority. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks at the United States Agency for International Development
January 10, 2005

Thank you all. Please be seated. Thanks for the warm welcome. Good morning. A little more than 2 weeks ago, the world witnessed one of the worst displays of natural destruction in history. Since that time, the world has witnessed one of history's greatest displays of compassion.

Most of you are members of this great organization, the United States Agency for International Development. Some of you are members of nongovernmental organizations. All of you are playing an important role in that compassionate response. The world has taken notice, and the American people are grateful.

Throughout the many affected regions, the loss of life and property is immense. People and nations throughout Asia and around the world are working to ease the suffering brought on by this terrible disaster. The international community has responded with generosity and compassion, and the men and women of USAID have been at the center of that response. And I'm here to thank you.

I want to thank our Secretary of State for his fantastic service to our Nation. I want to thank him for recently leading a delegation to the affected areas to express our Nation's deepest concerns. I want to thank him for keeping my little brother straight. [*Laughter*] But the Secretary is—any time he represents America, does so with such dignity and strength. And Mr. Secretary, you did so again, and the world better understands our heart as a result of your trip. And I thank you for it.

And I appreciate Andrew's work. [*Applause*] Andrew, you should take that as a good sign. [*Laughter*] Either that, or it's all your close relatives who are here. [*Laughter*] But I really do want to thank Andrew for not only helping to organize the effort but for his travels and his concern and his willingness to put in the long hours necessary to make sure that which we spend works.

And I want to thank you all for working along with Andrew. I know the response disaster team of USAID is sitting behind me. Andrew tells me that the response disaster team went into work the minute we heard about the disaster. And since then, you've been working long hours. I appreciate it very much.

We just finished meeting with a group of representatives and heads of nongovernmental organizations, NGOs, all of which are providing love and compassion and help. After that meeting, I must tell you my spirits were raised even higher than they were walking into the meeting. There is no question in my mind that the NGOs of America provide such vital, vital help in times of disaster.

A little later on, I want to make yet another appeal for people in America to donate money. But I do want to remind our fellow citizens, as you donate money to the tsunami relief effort, make sure you continue to contribute to NGOs, because those groups—we still have problems in other parts of our country and other parts of the world. It is essential that your contribution not replace the ongoing contributions you're making to help the NGOs of America. You should view the tsunami relief effort as extra help, to help solve the problem, so that we don't short-change the compassionate needs—the needs for compassion elsewhere in our country and the world.

Colin and brother Jeb earlier, and Andy came by and reported to me what they have seen. The pictures do not do the devastation justice. They don't tell the whole story of what we've seen on TV, what these people have seen in person. The devastation was on a scale that none of them had ever experienced. I think Colin referred to Banda Aceh as something the equivalent of Hiroshima. They reported that the efforts are well-coordinated. In other words, there's a huge problem, but the good news is, is that the efforts, the compassion, the money, the hope, is well-coordinated and that your work is making a difference in saving lives and helping people who need help. That's what you're here to do, and it's working.

USAID personnel in the region responded the very day the disaster struck. So not only did the response team get set up, but the people around the world began to move. Your fellow colleagues and yourselves have been working day and night, 24 hours a day, and we're grateful. It's not easy. I know; it's hard, particularly in the time of year in which this hit. But you're doing your job, and for that, I'm extremely grateful.

I think the intensity of the effort reflects the enormity of the task. After all, the death toll is estimated at 150,000 people and may climb even higher. Among the dead are thousands of children, and as many as 5 million people are thought to be homeless or without food and clean water. You're coordinating airlifts of relief supplies to the affected areas. You're arranging for clean water. You're arranging for medical aid. You're arranging for psychological help. And that's important work.

USAID has delivered food, temporary shelter, hygiene kits, and supplies to help people survive. In other words, we've been focused on the relief effort. Now we're beginning to focus on rehabilitation and rebuilding. And as a result, USAID is arranging small loans for those whose livelihoods have been destroyed. We were talking about the NGOs who have been working along with USAID. I think Ruth mentioned the fact that her agency has now provided a fishing boat. In other words, we're beginning to help rebuild lives and help people get back on their feet.

The NGOs, including our faith-based organizations, had been working in these regions for decades. As the head of the NGO or the representative of the NGO, spoke—said, "Well, Mr. President, we have been there for 30 or 40 years." And as a result of having been there, there's an infrastructure in place, which is good news for those who need help.

Not only are these people, the NGOs, expressing the world's concern, the cooperation between our Government and the NGOs has been superb. And that's important. It is important because we don't want to have a duplication of effort. We want to make sure that we assess the needs

and make sure that our contributions, whether they be from the public sector or the private sector, are spent wisely. And having listened carefully to Colin and Andrew and the NGO heads, I can say to the American people that to the best extent possible, we're coordinating our efforts.

We're not only coordinating our efforts here at home; we're also doing a better job of coordinating our efforts with other governments and international NGOs. We made an initial commitment of $350 million for relief efforts. That's a commitment from the Federal Government. And the NGOs, in turn, are using some of those funds effectively to meet the needs of the people on the ground. In other words, what we have done is we've made a commitment at the Federal level, and we said how best to spend that money. And the best way to spend that money is to actually spend it with people who know what they're doing on the ground. We don't need to try to—now is not the time to try to come up with a new way of solving old problems. Now is the way to use people who have been solving problems in an effective way to help people on the ground. And that's exactly what we're doing.

Our military is doing a fantastic job, by the way. I want to thank our commanders on the ground, and I want to thank our troops who are representing the best of America. Navy vessels, including the U.S.S. *Abraham Lincoln,* have moved into the region, and they are providing food and medical supplies and clean water. Helicopters and military aircraft are meeting critical needs by airlifting supplies directly to the victims. After all, many of the victims have lived in remote areas. And so many other places, our servicemen—like in so many other places, those who wear our uniform are showing the great decency of America. And I thank them for that. I can't tell you how much our Government and the people of America appreciate the good work our military is doing to help relieve the suffering from this crisis.

The NGOs with which I met tell me about the incredible outpouring of generosity here at home. And I want to thank all those who have contributed to the NGOs. I particularly want to thank two former Presidents, 41 and 42—[*laughter*]—or Dad and Bill—[*laughter*]—for stepping up and helping to raise money. It's important that Presidents Clinton and Bush do what they have done, and I can't thank them enough for taking time out of their busy schedules to send out an appeal to the citizens of our country.

Listen, people want to help. I repeat, make sure that this help doesn't take the place of other help you're giving, but if you do want to continue to help, and I ask you to do so, please go to usafreedomcorps.gov on the web page, and that's a way to make sure your money—shows you where to send your money and to make sure it's properly used. And as well, hopefully the legislation I sign that will allow taxpayers to deduct this month's contribution for tsunami relief from your 2004 tax returns is further incentive, kind of a little kick to the heart. [*Laughter*]

The United States Government and the NGOs that have worked so hard for so long in the region are committed to this area of the world for a long time. This is one of these projects that's not going to happen overnight. The intense scrutiny may dissipate and probably will, but our focus has got to stay on this part of the world. We have a duty—we have made a commitment, and our commitment is a long-term commitment to help these good folks in the part of the world that got affected get back on their feet.

Well after the immediate danger passes, USAID is still going to be in the hard-hit areas. And I thank you for that. See, you're going to be helping the people improve their schools and develop health services and mitigate conflict and reinvigorate local economies and help build institutions

of democracy so people can live in peace and freedom.

As our Government's leader in relief and reconstruction, USAID and its predecessors have done this kind of work before. You have done big jobs in the past, such as the Marshall plan. And we're committed to not only solving this problem, but we're committed to the work that goes on year-round in nearly a hundred countries, countries that include Iraq and Afghanistan, where you're helping to build—to bring a better future to millions of people who have been newly liberated and to regions in the world like Darfur in the Sudan, where you're helping to reduce deaths and violence in that troubled region.

The efforts of USAID is essential for the foreign policy of the United States of America. Your efforts and the efforts of others, especially to create jobs, promote markets, improve health, fight HIV/AIDS, and help democracy take root, are instrumental to making the world a better place and to protecting the American people.

From Sudan to Sumatra, the world has seen America at its best through the work you do. Sometimes you don't get thanked enough. I don't know how many times a President has been by to say thanks, but I'll tell you this: It's my distinct honor to come by and say thanks. I appreciate your compassion. I appreciate your love for your fellow human being, and thank you for the work you do.

May God bless you all.

NOTE: The President spoke at 11:32 a.m. In his remarks, he referred to Gov. Jeb Bush of Florida; and Andrew S. Natsios, Administrator, U.S. Agency for International Development.

Remarks on the Nomination of Michael Chertoff To Be Secretary of Homeland Security

January 11, 2005

Good morning. I'm pleased to announce my nomination of Judge Michael Chertoff to be the Secretary of Homeland Security.

Mike is a talented and experienced public servant. In his stellar career, he has been a judge on the United States Court of Appeals for the Third Circuit; he's been an Assistant Attorney General of the United States; he's been the U.S. Attorney for New Jersey; a Federal prosecutor in New York City; and a law clerk to Supreme Court Justice William Brennan. He's been confirmed by the Senate three times.

In all of his roles, Mike has shown a deep commitment to the cause of justice and an unwavering determination to protect the American people. Mike has also been a key leader in the war on terror. On September the 11th, 2001, he was managing the Criminal Division of the Department of Justice, an 800-person operation devoted to enforcing our Nation's criminal laws. In the days after September the 11th, Mike helped trace the terrorist attacks to the Al Qaida network. He understood immediately that the strategy on the war on terror is to prevent attacks before they occur. His energy and intellect put him at the center of many vital homeland security improvements, especially increased information sharing within the FBI and with State and local officials.

He's faced countless challenging decisions and has helped to protect his fellow Americans while protecting their civil liberties. I'm grateful that the judge has agreed to bring his exceptional judgment and integrity to an urgent new responsibility. I'm confident that he will be a

strong, effective leader for the Department of Homeland Security.

Two years ago, we created this new Department to ensure a comprehensive, unified effort to protect the American people against new dangers. Since that time, the employees of the Department have carried out the largest reorganization of the Government in a half a century. Under the direction of Secretary Tom Ridge, the Department of Homeland Security has improved airline security, enhanced the protection of our borders and ports of entry, and taken vital steps to safeguard the Nation's critical infrastructure. Tom Ridge has the gratitude of our entire Nation. I thank him for his leadership. I appreciate his hard work.

The Department of Homeland Security will also continue working to reduce the Nation's vulnerabilities to weapons of mass destruction and cyberterrorism. We are engaged in a daily mission to prepare effective responses to any future attack and to closely coordinate homeland security efforts with State and local officials. Our Nation is still at war. We're focused. We're taking decisive actions on the homefront that are critical to winning this war.

When Mike is confirmed by the Senate, the Department of Homeland Security will be led by a practical organizer, a skilled manager, and a brilliant thinker. As head of the Criminal Division and as a U.S. Attorney in New Jersey, Mike built an impressive record of cutting through redtape and moving organizations into action. He's worked cooperatively with the Federal and State and local law enforcement officials. He will always be a friend to America's first-responders.

Mike is a strong and decent man. As an attorney, he has prosecuted organized crime and corporate fraud. He stood against racial profiling. He's worked with the NAACP Legal Defense Fund to represent poor inmates on death row. He's earned the respect of lawyers of many backgrounds and of politicians on both sides of the aisle. This is the third time I've asked Mike to serve our Nation, and I'm grateful he's agreed. I'm also grateful to Meryl, Mike's wife, and his family. I urge the Senate to promptly confirm this outstanding nominee as America's second Secretary of Homeland Security.

Congratulations, Mike.

NOTE: The President spoke at 10:03 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to Meryl Chertoff, wife of Secretary-designate Chertoff. The transcript released by the Office of the Press Secretary also included the remarks of Secretary-designate Chertoff. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks in a Discussion on Social Security Reform
January 11, 2005

The President. Thank you all. Please be seated. Listen, thanks for coming today. As you can see, I am joined by some fellow citizens here on the stage who have come to talk about one of the great causes of our generation, and that is how to strengthen and save Social Security for generations to come.

I know this is an issue that some would rather not be talking about. It's an issue that is kind of—I think some think has got too much political danger attached to it, and so therefore let's just kind of, maybe, move it down to the next group of people coming to Washington, or maybe things will get better by ignoring it. That's

not what I think. And today I want to talk about why we have an issue with Social Security, why I believe those of us who have been elected to office have an obligation to do something about it, and then I want—and give some ideas, some constructive ideas to Congress as to how to deal with the issue, and then I want others to share with me their ideas.

And we've got some people who have come a long way—flown all the way to Washington, DC, to share some thoughts with the President. And I think you'll find their stories interesting. I certainly did when we had a little discussion a little bit ago.

First, let me tell you how much, I understand, Social Security has meant for generations of Americans. I mean, Franklin Roosevelt, in thinking boldly, envisioned a Social Security system where Social Security would help seniors with their retirement. And the system worked for a lot of people. And it's been a—an incredible achievement, if you think about a piece of legislation being relevant for nearly 70 years.

The problem is, is that times have changed since 1935. Then, most women did not work outside the house, and the average life expectancy was about 60 years old, which, for a guy 58 years old, must have been a little discouraging. [*Laughter*] Today, Americans, fortunately, are living longer and longer. I mean, we're living way beyond 60 years old, and most women are working outside the house. Things have shifted.

The Social Security system is not a personal savings account. The Social Security system is not an account where money is earned. The Social Security system is an account where money comes out to pay for retirees and is put in the system by people who are working. And that's changed. More and more retirees have taken out money relative to the number of people putting money in. In the fifties, there were 16 workers for every beneficiary, so the system was in pretty good shape. Today, there's three workers for every beneficiary. Relatively quickly, there's going to be two workers for every beneficiary. And that's a problem. And that's a problem because in the year 2018, in order to take care of baby boomers like me and—[*laughter*]—some others I see out there—[*laughter*]—the money going out is going to exceed the money coming in.

That's not a good thing. It means that you're either going to have to raise the taxes of people or reduce the benefits. And the longer you wait, the more severe the pain is going to be to fulfill the promise for a younger generation of workers coming up. As a matter of fact, by the time today's workers who are in their mid-twenties begin to retire, the system will be bankrupt. So if you're 20 years old, in your mid-twenties, and you're beginning to work, I want you to think about a Social Security system that will be flat bust, bankrupt, unless the United States Congress has got the willingness to act now. And that's what we're here to talk about, a system that will be bankrupt.

Now, I readily concede some would say, "Well, it's not bankrupt yet. Why don't we wait until it's bankrupt?" The problem with that notion is that the longer you wait, the more difficult it is to fix. You realize that this system of ours is going to be short the difference between obligations and money coming in by about $11 trillion, unless we act. And that's an issue. That's trillion with a "T." That's a lot of money, even for this town.

And so I'm looking forward to working with Congress to act. We've got an expert from the Social Security system that will talk about "the problem." And I'm going to talk about "the problem." You know, "the problem" is that some in Congress don't see it as "the problem." They just kind of think that maybe things will be okay. But the structure of Social Security is such that you can't avoid the fact that there is a problem. And now is the time to get something done.

Now, I've talked about this, and I want the people to clearly understand, if you're a senior receiving your Social Security check, nothing is going to change. Those days of politicizing Social Security, I hope, are in the past. A lot of people who ran for office and if they even mentioned the word Social Security, there would be TV ads and fliers and people knocking on doors saying, "So-and-so is going to ruin Social Security for you." There is plenty of money in the system today to take care of those who have retired or near retirement. The issue really is for younger folks.

That's why we've got some younger folks up here. Not all of us are younger folks, are we? [*Laughter*] Most of them are younger folks. I no longer qualify. [*Laughter*] But younger people are listening to this issue. You know, I've traveled a lot. I campaigned on this issue of Social Security and the need to strengthen it and reform it. I didn't shy away from it in 2000. I certainly didn't shy away from it in 2004. I laid it out there for the people to hear. I said, "Vote for me, and I'm going to work with Congress, see if we can't get something done to solve the system."

This is part of what—this is part of fulfilling a campaign pledge. I wouldn't be sitting here if the people said, "We don't want anybody to touch it. We think it's okay." Most younger people in America think they'll never see a dime. That's probably an exaggeration to a certain extent, but a lot of people who are young, who understand how Social Security works, really do wonder whether they'll see anything. My attitude is, once we assure the seniors who are—receive Social Security today that everything is fine, I think we've got a shot to get something done, because younger Americans really want to see some leadership.

I said we're not going to run up the payroll taxes. I think running up payroll taxes will slow down economic growth. This economy is beginning to kick in. It's beginning to make sense. I think we can solve the problem without increasing payroll taxes.

I also threw out another interesting idea—it's certainly not my idea, because others have talked about it—and that is to allow younger workers, on a voluntary basis, to take some of their own money and set it aside in the form of a personal savings account, a personal savings account which is their own, a personal savings account which would earn a better rate of return than the money—their money currently held within the Social Security trust, a personal savings account which will compound over time and grow over time, a personal savings account which can't be used to bet on the lottery or a dice game or the track. In other words, there will be guidelines. There will be certain—you won't be allowed just to take that money and dump it somewhere. In other words, there will be a safe way to invest, to be able to realize the compounding rate of interest.

I've heard some say, "Well, this is risky to allow people to invest their own money." It's risky to let people—say, "You can take your money that's supposed to be for a retirement account and put it on the lottery." I realize that. But it's not risky. Federal employees—the Thrift Savings Plans invest under certain guidelines, and I don't hear them screaming, "It's risky." It makes sense to try to get a better rate of return on your money, if you expect there to be a Social Security system which is going broke. And that's what we're talking about.

Owning your own personal savings account does two other things. One, it allows you to pass on your savings to whoever you choose. You can't do that in Social Security today. If you pass away earlier than expected, that money that you put in the system is gone. And at the same time that you manage your own account, you own your own account. I love promoting ownership in America. I like the idea of encouraging more people to say, "I own my own home. I own my own business.

I own and manage my health accounts, and now I own a significant part of my retirement account." Promoting ownership in America makes sense to me to make sure people continue to have a vital stake in the future of our country.

And so I want to thank you all for coming today to give me a chance to address the Social Security issue. I plan on talking about it a lot. This isn't the first time I've talked about it since the campaign is over, and it's certainly not going to be the last, because I believe it is a vital issue. And I know that if we don't address the problem now, it will only get worse with time. And I believe there is a fundamental duty, for those of us who have been given the honor of serving the American people, to solve problems before they become acute and not to pass them on to future Presidents and future generations.

Now, I want to talk to Andrew Biggs. He is the Associate Commissioner for Retirement Policy at the Social Security Administration. To me, that says expert. [*Laughter*] I don't know if that's fair to call you an expert or not.

[*At this point, Andrew Biggs made brief remarks.*]

The President. Yes, that's good. How old are you?

Mr. Biggs. I'm 37.

The President. Man, I wish I was 37—[*laughter*]—37, talking to the President. That's great. [*Laughter*] You ought to be concerned. I mean, you're one of these people—yes, good. Well, I appreciate you helping.

You see, what he just said is, "There is a problem." I happen to believe people who have been elected to office who ignore problems will face the price at the ballot box. See, I think more and more people recognize we have a problem. We've got a 37-year-old person here describing a problem. More and more people understand we have a problem. And the more people see it, the more it's expected we do something about it. And as Andrew said, he said, "We better start now." That's why it's important that we have this dialog. And that's why I'm going to continue dialoging and talking to the leadership in Congress about, "Let's solve it now. Let's do our duty."

Let me talk to Scott Ballard. He is from the great State of Washington. That's a long way away.

Scott Ballard. That's right.

The President. Brought your lads with you, I noticed.

Mr. Ballard. Yes.

The President. Your sons. Yes, they had never been to Washington. I said, "Have you ever been to Washington?" The guy said, "I live in Washington." [*Laughter*]

Mr. Ballard. Yes. [*Laughter*]

The President. Pretty good line, you know? I meant the District of Columbia, Washington. So what do you do, Scott?

Mr. Ballard. Well, my brother and I own and operate a private ambulance service. It was started by our parents in 1967. And my brother and I purchased it from them in 1986.

The President. And why are you here, besides to bring your lads to the other Washington?

[*Mr. Ballard, co-owner, Ballard Ambulance, Wenatchee, WA, made brief remarks.*]

The President. So, like, if they were here, what would your younger employees say about Social Security? Do they ever talk about it? Do they ever think about it? Do they ever——

[*Mr. Ballard made further remarks.*]

The President. That's kind of an interesting thought, isn't it—when you see on paper the value of something, you begin to actually pay attention to what causes values to go up, good policies that enhance growth. And what Scott just said is, he talked about the first change in retirement in America was the movement toward defined contribution plans, like 401(k)s, which

really has promoted an ownership society, hasn't it? I mean, people wake up, and they look at their account and say, "I'm so sure this person's policies are beneficial to my being able to earn a better rate of return." People pay attention because it's their own money. That's kind of one of the benefits of a personal account in Social Security.

[*Mr. Ballard made further remarks.*]

The President. Right. Good. I appreciate you sharing that. Yes, make sure you tell your customers—tell your customers nothing changes with Social Security for them. And tell your younger workers they can do something about it. They can write their Senators; they can write their Congresspeople. You can let them know you expect the Members of the United States Congress to hear the fact that there's a problem and then to do something about it. That's what they can do.

We've got with us Bob McFadden. Looking sharp. [*Laughter*] I didn't come close, I know. [*Laughter*] Thanks for coming. I appreciate you taking time to be here. You are from Medford, New Jersey.

Robert McFadden. Yes, sir.

The President. And why have you come from Medford, New Jersey, to share some thoughts?

[*Mr. McFadden, solutions executive, IMS Health, Medford, NJ, made brief remarks.*]

The President. The 1 or 2 percent that the money inside the Social Security trust now earns—is that right? Is he right at 1—is it even as high as 1 percent?

Mr. Biggs. No, it's—right now it is low because interest rates are low. Over the long term, we're looking at around 3 percent. So you still do have a——

The President. So it's more than double. But right now, it's like——

Mr. Biggs. Oh boy.

The President. Yes, never mind. [*Laughter*]

Mr. Biggs. You caught me. [*Laughter*]

The President. Don't worry about it. [*Laughter*] You can still keep your job. [*Laughter*] Go ahead. Seven and a half percent since 1924—that's a great rate of return. Imagine if you're 50 years old and you start—if you start—if you hold that money for 50 years at that rate, it compounds and grows and ends up being a lot of money, is what you're saying.

Mr. McFadden. Yes, sir.

The President. Yes, okay. I'm glad I invited you. [*Laughter*]

[*Mr. McFadden made further remarks.*]

The President. Let me say this. You brought up a very interesting point. There's kind of an assumption that only a certain group of people at a certain income can manage an account. It's as if you've got to have a net worth of X before savings becomes a real part of your life. I reject that. Bob rejects that.

Secondly, the interesting—there's a—African American males die sooner than other males do, which means the system is inherently unfair to a certain group of people. And that needs to be fixed. It's not a—[*applause*].

Mr. McFadden. I agree, Mr. President, because from the minimal research that I've done, the average African American male right now is—the life expectancy is 69, and I may be off a little bit. But if you're telling me that it's 69 and the age is going to go to 67, you do the math. [*Laughter*]

The President. Right.

Mr. McFadden. I mean, that's 2 years, so—[*laughter*].

The President. Glad you came. Thanks. Welcome, girls. Glad you all came.

Okay, I thought we would try to find somebody who represents the youth movement. I'm not saying you all are old, but we did find us a dairy farmer from the great State of Utah, Josh Wright. Welcome, Josh. Thanks for coming. He asked me if I could fix the BCS. [*Laughter*] I said no, I'm not going there, Josh. I'm staying on

Social Security. It may be a little easier to fix, anyway. [*Laughter*]

Josh Wright. But he said that they wouldn't be able to take Texas, and——

The President. Wait a minute. You don't need to talk about private conversations. [*Laughter*] Okay, you're a dairy farmer?

Mr. Wright. That's correct.

The President. Good. Milking those cows.

Mr. Wright. Yes. Not today, obviously. I made my dad stay home and do it. But we have a dairy farm in central Utah, and you can fit the whole town in this building here.

The President. Kind of like Crawford.

Mr. Wright. There's a lot more cows than there are people at my place, so I spend a lot of time talking to animals. [*Laughter*] And I hear——

The President. Are they talking back yet? [*Laughter*] When they start talking back, give me a call. [*Laughter*]

Mr. Wright. Not when I have a stick in my hand, they don't say a lot. [*Laughter*]

The President. That's right.

[*Mr. Wright, dairy farmer, Millard County, UT, made brief remarks, concluding with a mention of his grandfather.*]

The President. Do you think he's listening? Have they got C–SPAN out there in Utah?

Mr. Wright. I don't know. [*Laughter*]

The President. See that red dot?

Mr. Wright. Yes, I see it now.

The President. That's him, if he's listening.

Mr. Wright. He's probably watching the horse channel. He loves that channel. [*Laughter*]

The President. I appreciate you coming.

Mr. Wright. Thank you for letting me.

The President. If nothing happens, at your age it will be bust by the time it comes time for you to retire. That's why we have a person in the mid-twenties here, besides the fact the guy's got a pretty good sense of humor. [*Laughter*] If nothing takes place, if Congress says, "Oh, don't worry. We'll just push it down the road. Why do we need to deal with it. There's no crisis"—if nothing happens and we don't start moving on it now, by the time Josh gets to retirement age, the system will be flat broke.

And that's not right, it doesn't seem like to me. It seems like people who have been elected to office must say, "We want it to be wholesome and healthy, like it has been for other generations." Oh, I know there's a lot of politics here in Washington, and people are—some are afraid to touch it. Some don't want to touch it. Some provide excuses not to touch it. I know, I've heard it before. But I believe that the President has a responsibility for setting the agenda, and I believe people who have been elected to the House of Representatives and the United States Senate has an obligation to confront problems head on.

By the way, tell the old man 1946 was a great year.

Mr. Wright. It was a great year.

The President. Yes, you wouldn't be sitting here if it wasn't, you know. Anyway. [*Laughter*]

We've got a mom and her daughter with us. I'm so glad you both came. Thanks for being here. Sonya is the daughter. Rhode is the mom. And I want the Stone women to talk about their lives and how it relates to Social Security. If you don't mind, Sonya, why don't you start? What do you do?

[*Sonya Stone, CFO partner, Tatum Partners, Vienna, VA, made brief remarks.*]

The President. Good. A CFO, like, you know something about numbers?

Sonya Stone. I know a little bit about numbers, and I——

The President. I presume you've looked at the numbers.

[*Sonya Stone made further remarks.*]

The President. Sure. I think it's important for people to understand compounding rate of interest. In other words, if you take a

dollar, set it aside, and it grows at 3 percent over 30 years or 40 years and compare that to the same dollar that grows at 7 percent on an average basis over 30 years, there is a huge difference in money.

So it matters how much money—how much interest or how much rate of return your money earns. We're kind of throwing around these words as if everybody understands compounding rate of interest and rate of return, but what people need to understand is that the money that's now—your money in the Government is earning much less than it's capable of generating under safe conditions. "Safe conditions," I think that's what you're saying.

[*Sonya Stone made further remarks.*]

The President. Good, thanks. Well done. Now what about your—introduce your mom.

Sonya Stone. I would like to introduce my mom. This is my mother, Rhode Stone. And she is grandmother of three and originally from Helsinki, Finland, and has been here over 40 years.

The President. Fantastic. Same age as my mother.

Sonya Stone. Just turned 80.

The President. Is she still giving you instructions?

Sonya Stone. Every day, and I do my best.

The President. It never stops, does it? [*Laughter*] No.

Rhode Stone. It shouldn't stop.

The President. That's right. [*Laughter*] Let her rip.

[*Rhode Stone made brief remarks.*]

The President. Thank you for saying that. Good job.

Yes, I think one of the interesting things that Rhode talked about is the need for people to understand that Social Security is a part of retirement income. That's why it was created, and therefore, the idea of developing the habits early—necessary to make sure you've got that which is necessary to live on, such as saving money, is important. I happen to believe that once personal savings accounts are part of the Social Security system, that it will encourage other savings to take place as well. People will be able to see the benefits of savings, understand how important it is as a dad to save for two beautiful little girls, to start setting aside money for college education is a way to save, not necessarily for retirement in this case, but to be a good dad and do your duty as a father.

And so I appreciate that point. In other words, it's a point that says that people have got to understand you have a responsibility to set aside money so that you can live comfortably. And it worked in your case. Thankfully you had a wise husband.

Rhode Stone. I wish we would have had a chance to put——

The President. As additional—as addition to the savings you set aside out of the personal savings accounts. I agree.

And that's—so it's a—this is a—I hope you have come away with a better understanding of the importance of this issue. I mean, we've got people of all generations here, people who say, "Look, this is an issue." And the fundamental question confronting the people elected to the United States Congress is, will they act? I will assure you, I'm going to ask them to act. I think that one of the reasons I'm sitting here is because I said to the people of the country, "We have an issue with Social Security. We have a problem. I think it's important to be a problem-solver. Give me 4 more years, and I intend to work with people of both parties and solve problems, and there is a problem with Social Security."

I see a problem. I also see a solution. And I realize that it's going to require bipartisan cooperation. And I look forward to working with members of both political parties in both Houses to come together and do our duty. I realize it's not going to be easy. This isn't easy. If it were easy, it would have already been done. It kind

of makes it fun, though, isn't it—take on the tough jobs.

Members who will work—constructively work with us will be able to look back and say, "I did my duty. I came to Washington to be more than just a placeholder. I came to Washington to analyze a problem, to deal with a problem, and to leave a legacy behind of fixing the problem." And so I'm looking forward to working with the Members of Congress.

I want to thank our panelists who are here. I want to thank our audience for coming. May God bless you all.

NOTE: The President spoke at 10:50 a.m. at the Andrew W. Mellon Auditorium. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks at J.E.B. Stuart High School in Falls Church, Virginia
January 12, 2005

Thanks for the warm welcome. Dr. Riddile, thank you for inviting me and Laura to come to your great school. He said, "We're not very far from the White House." I said, "Fine. I'll just drive over." It turns out, I didn't see any traffic. [*Laughter*]

I want to thank all the students who are here today. Thank you for coming to let an old guy speak to you. Dr. Riddile said, "Make one thing—make sure you do one thing, Mr. President." I said, "What is that?" He said, "Keep the speech short. Students can't wait to get back into class." [*Laughter*] Here we go.

I also want to thank the folks that Laura and I got to meet earlier—teachers and superintendent, a parent. They explained to us why their school is so good. And we're here because this is a great school. I'll talk a little bit about that later on. But one thing for certain is that the philosophy of this school needs to be the philosophy of every school, and that is, you believe in the best for every student and you do what is necessary to make sure that every child—not groups of children but every child—can read and write and add and subtract and every child has got the potential to achieve his or her dreams in America.

The first thing I want to do is congratulate the leadership of this school, the principal, the teachers, and the involved parents for a job well done.

I want to thank Laura for traveling with me today. She's been traveling with me for a long time. [*Laughter*] And for a public school librarian, the highway has been a little bumpier than she probably thought. But she is—she shares the same passion I do, and that is to put systems in place to encourage every child to learn to read. And so thank you for coming, looking forward to working with you on education matters during the next 4 years.

I want to thank Rod Paige, who's joined us. Rod is the outgoing Secretary of Education. Four years ago when I was looking at the Cabinet, I decided to pick somebody who had been on the frontlines of educational excellence. Rod was the former superintendent of schools in the Houston Independent School District. That's the frontlines, and the results of his hard work are noticeable in Houston. And I want to thank you, Rod, for not only serving in Houston but coming from the great State of Texas to serve our country for 4 years.

I don't know whether the Senators will think this is breaking protocol, but Margaret Spellings is traveling with me today. Let's just say she is my domestic policy adviser and, if the Senate so decides, will succeed Rod as the Secretary of Education.

I don't know where you are, Margaret. There you are. Thanks, yes. I suspect that if confirmed, the seat will improve. [*Laughter*]

Again, I want to thank Mel Riddile for being such a fine principal. He's what I would call an educational entrepreneur. You can't have a good school unless you've got a good leader. And the principal is the leader of the school, and I appreciate you. I appreciate your spirit. I appreciate your vision, and I appreciate the high standards.

And I want to thank the superintendent of schools for recognizing that this good man is a good principal. And I want to thank you for being here, Jack. Jack Dale—Dr. Jack Dale is with us, who is the superintendent of the Fairfax County public school district. Thanks for taking on a big job.

I was pleased to see that United States Senators from the great State—or the Commonwealth of Virginia have joined us. Senator John Warner is with us today. I'm honored you're here, Senator. Thank you for coming. Senator George Allen is with us. Thank you for being here, George. Congressman Tom Davis, proud you're here. A member of the Stuart PTA, I presume? At one time—after all, his daughter Shelley graduated from the high school here. I want to thank you all for coming.

I appreciate the attorney general of the great State of Virginia joining us, Jerry Kilgore. I want to thank all the State and local officials. Thanks once again to the students and parents for allowing me to come today.

This is one of the first stops in the year 2005 for me. And there's a reason why it's one of the first stops, is we are dedicated to doing everything we can at the Federal level to improve public education. You can't have a hopeful America without a public school system that's working to the best of its abilities. I'm optimistic we can achieve that, and I'm optimistic we can achieve a lot of things. I'm optimistic we can spread freedom and therefore peace around the world. I'm optimistic that we can continue to protect our homeland.

I'm looking forward to working with our fellow citizens to continue to spread the great compassion of America. I want to thank those of you in this audience who have contributed to the tsunami relief effort. I appreciate so very much our fellow citizens for joining President Clinton and President Bush in lending your heart, through your money, to help those who suffer. The Federal Government will continue to remain focused on making sure the victims of that natural disaster get the best help possible.

I'm going to continue to work in 2005 to keep this economy of ours strong so people can find work. And one way to do so is to keep your taxes low and to reduce the burden of junk lawsuits and needless regulations on our Nation's employers. Looking forward to making sure that, to the best of our ability, that health care is more affordable and available.

It's hard for me to come to a high school class and look at our youngsters and say, "The Social Security system is in good shape," when I understand it's not. To the seniors of America, nothing is going to change when it comes to your Social Security check. But if this Congress doesn't join this administration in working to reform and strengthen Social Security, we will not be able to look at the high school seniors of today and say, "We have done our duty in protecting Social Security for you," for after all, the system will be bankrupt by the year 2040. And now is the time for the United States Congress to join with the administration to save and strengthen Social Security for generations to come.

To keep this country prosperous and to keep this country hopeful, we've got to make sure these public schools of ours stay strong. And we started on that road to strengthening every public school 3 years ago, when I signed the No Child Left Behind Act. The theory of this law is straightforward—it's pretty easy to understand—

that in return for Federal dollars, we are asking for results. That makes sense if you're a taxpayer. It makes sense, frankly, if you're an innovative teacher and a strong principal. We're leaving behind the old attitude that it's okay for some students just to be shuffled through the system. That's not okay. And 3 years ago, we began to change the system that too often had given up on a child, primarily those children whose mothers or dads didn't speak English as a first language or those children who may be growing up in inner-city America, whose mom or dad didn't have big income levels. This administration believes and most people in America believe that every child can learn.

And so we're raising the standards for every public school in America. If you believe every child can learn, then it makes sense to raise the bar, not lower the bar. If you believe every child can learn, then it makes sense to measure to determine whether every child is learning. That's called accountability, accountability for results. Accountability is so crucial to achieve our goal for every child learning to read, write, and add and subtract. Accountability helps to correct problems early, before it is too late. Accountability enables a good teacher to test a curriculum as to whether or not that curriculum is working. Accountability allows principals and teachers to determine whether methodology is working. Accountability also is a way to make sure parents stay involved in the educational systems across our country.

You know, for a while, in certain districts, a parent—you'd ask a parent, "How is your school doing?" And the parent's natural reaction is, "It's the best there is." In some cases, like the parents here at Stuart High, they're right. But in some cases, because there was no accountability system, they were wrong. Accountability system allows a parent or a local official or concerned citizen to compare results from one school to another within a district and from one district to another within a State. And that's important, because by putting parents in the center of the school system, it not only encourages parental responsibility; it enables parents to demand reform when there—reform needs to be done. It enables parents, when they see excellence, to do what every parent should do, and that is thank the teacher and the principal for a job well done.

Accountability systems don't work unless there are consequences. And so in the No Child Left Behind Act, if a school fails to make progress, parents have options. They can send their child to free after-school tutoring, or they can send their child to a different public school.

For the past 3 years, thanks to Rod Paige's hard work, these reforms have been put into action. All 50 States, plus the District of Columbia and Puerto Rico, have drawn up plans to measure performance in every school. And the reporting process is beginning to work.

But more importantly than the process of putting reform in place is that we're beginning to see results. If you measure, you get to determine whether or not we're achieving things. Fourth grade math test scores across this Nation went up nine points between the years 2000 and 2003. Eighth graders improved by five points in the same period. In other words, because we measure, I can now stand up and say we're beginning to close an achievement gap in America. We've got reading scores—reading scores for fourth graders increased in the vast majority of States that tested between 1998 and 2003, including Virginia. African American and Hispanic and Native American children are beginning to learn to read. There is a significant achievement gap in America, and that is not right. And we're closing that gap. And you know how we know, is because we measure, because we're willing to devise measurement systems, not at the Federal level but at the State level.

The results in Virginia are strong. Last school year, 69 percent of the schools met

their target for progress. That's up 10 percentage points from the previous year. That's great. Except I'm now focused on the other 31 percent, and I know the government here in Virginia will be as focused as well. Sixty-nine percent and an increase of 10 percent is really good news.

But one day, I hope to be able to stand here in my term—or a future President or a future Governor—and say, "We're up to 100 percent success in the great State of Virginia." That's what we want. We're not interested in mediocrity. We're interested in excellence, so not one single child is left behind in our country.

African American and Hispanic students in your State improved their scores in reading and math. Things are happening in America. Things are happening in Virginia. A lot of it has to do with good principals and hard-working teachers, and I understand that.

You know, the people of this country are probably saying, "Why did you come to Stuart High School?" And let me tell you why. It wasn't so long ago that Stuart High School was a troubled school. I can't remember what the words the principal used. I think he said that they deemed it to be a failure, if I'm not mistaken. Nobody—at least the people in this school didn't want to be called a failure. So you set out to do something about it. In 1997, the test scores were the lowest in Fairfax County and among the lowest in all of Virginia.

By focusing on results and stressing the importance of reading, by making sure that the measurement systems focuses on each individual child, by not tolerating excuses for failure, this school has been turned around. And how do we know? See, I can say that with certainty—in other words, I'm not guessing. I'm not saying, "Oh, you know, the principal looks like a pretty good guy, and the teachers sounded smart, and the students are cheering loudly." [*Laughter*] I know because you measure. The test scores in reading and math are now above the State average, and the trend lines are excellent. Dr. Riddile told me what you would expect. He said, "I am really proud of the students here." He said, "We're willing to do what it takes for the students to succeed." I like that attitude, and I hope the parents like that attitude as well: "Whatever it takes for the students to succeed." He said, "It's not magic. It takes hard work and smart work."

And that's something other schools can do. I'm here at Stuart High School because I want other schools who have got a student population as diverse as Stuart High School does to know that success and excellence is possible. And the goal for our high schools around our country is for them to achieve the same good results you've achieved here at Stuart. Seems like a realistic goal, and yet many of our Nation's high schools face serious challenges.

Out of 100 ninth graders in our public schools, only 68 will complete high school on time. Now, we live in a competitive world, and a 68 percent graduation rate for ninth graders is not good enough to be able to compete in this competitive world. In math and science, the problem is especially urgent. A recent study showed that American 15-year-olds ranked 27th out of 39 countries in math literacy. I don't know about you, but I want to be ranked first in the world, not 27th.

I view the results in our high school as a warning and a call to action. And I believe the Federal Government has a role to play. As you can tell, I believe the Federal Government had a role to play in primary education, and I believe the Federal Government has a role to play in secondary education. Up to now, the reforms, as I've explained to you, focused on the primary schools. Today I propose a $1.5 billion initiative to help every high school student graduate with the skills necessary to succeed.

Before you get too nervous, please understand that I strongly believe in local control of schools. I don't believe you can have innovation at Stuart High School if

the Federal Government is trying to teach you how to run your school.

The role of the Federal Government is to serve as a funding source for specific projects and an instigator for accountability systems. The accountability system is, of course, devised by local people. The State of Virginia has devised its own accountability system. I don't believe in a Federal test. I believe a Federal test leads to Federal control, and I believe Federal control of the public school systems leads to failure. And so I believe the Federal Government has an obligation to help in a way that helps local districts and local schools achieve our objectives.

Some of that money ought to be—that I've just announced will go to early intervention programs. Under this plan, high school teachers will analyze eighth grade test data for incoming ninth grade students so that when they see a student at risk of falling behind, the teachers and the parents can get together and design a program to help make sure that child can catch up, before it's too late. I believe in programs being flexible and uniquely tailored to each student's needs, just like you do here at Stuart High School. And so this program will enable and help school districts and schools intervene early, assess and design programs that meet the needs of that particular student.

To support intervention plans, I believe we need to improve the way the Federal Government funds high schools. The Federal Government—oh, we've got a lot of programs designed to help high school students; over the years, programs have developed. The problem is they're like silos. They're prescriptions that may not meet the needs of the local high school or the local school district—you know, a program to promote vocational education or to prepare for college preparation or to encourage school restructuring. They all sound fine, and they're all important. But they may not be what is necessary for a particular school district or a high school to achieve the objective of teaching every child to read and write and add and subtract. So I believe we ought to consolidate the high school improvement programs so that States have the flexibility to choose the program that works best for their students.

See, we've got to be careful about prejudging results in Washington, DC. We ought to say, "You can achieve the results, and here's the flexibility necessary to do so." And by giving you flexibility, it means we're more likely to achieve the results that we all want.

To ensure that the intervention programs are working and graduates are prepared, we need to be certain that high school students are learning every year. So the second component of my high school initiative is to measure progress with tests in reading and math in the 9th, 10th, and 11th grade. Listen, I've heard every excuse in the book not to test. My answer is, how do you know if a child is learning if you don't test? We've got money in the budget to help the States implement the tests. There should be no excuse saying, "Well, it's an unfunded mandate." Forget it. It will be funded. I've heard people say, "You're teaching the test." If you teach a child to read, they'll pass the test. Testing is important. Testing at high school levels will help us to become more competitive as the years go by. Testing in high schools will make sure that our children are employable for the jobs of the 21st century. Testing will allow teachers to improve their classes. Testing will enable schools to track. Testing will make sure that diploma is not merely a sign of endurance but the mark of a young person ready to succeed.

The principal of this great school said we spell hope: R-E-A-D. I thought that's a pretty darn good slogan. And the reason why that's a good slogan is, to make sure every high school student has a chance to realize his or her dreams, each graduate must read—must know how to read. You can't—you cannot achieve in America if you

cannot read, and yet too many of our children cannot read. And so I'm asking Congress to increase funding for my Striving Readers Initiative to $200 million. We'll use these resources to help more than 100 school districts train teachers in research-based methods so they can provide effective interventions for middle and high school students struggling in reading.

There is such a program here at Stuart. One reason why Stuart is doing so well is because you've got an intervention program when it comes to reading. How do I know? I met with the intervener. [*Laughter*] I met with the person who designed the reading program. I met with the person whose force of personality is so huge that not only are people working on reading in reading classes, but they're doing so at P.E. and math. And that is the reading coach, Sandy Switzer, who is with us today. Thank you for your—she knows what she's talking about. And as a result, the high school students here are reading.

And it sounds odd, doesn't it, for the President to stand up and say, "We need to focus on reading in high school." But that's the state of affairs. Someday, when No Child Left Behind is fully implemented and kicked in, there are not going to need to be early intervention programs or intervention reading programs in high school. But today, we need them. And therefore, this program will help school districts make sure that at the very minimum, a high school graduate has got the capacity to read.

I met with Zenab Abu-Taleb today. She is from Syria. And three of her daughters—one has gone to this school, and two others—by the way, one of them is going to college, which is a fantastic achievement for the family. And she was talking about what it means to have her daughters in Ms. Switzer's reading program. And I'm not going to put words in her mouth, but I will describe the excitement that she had in her voice when she talked about the fact that her girls are learning to read, are becoming literate. She did something pretty smart, though, by the way, and I hope other parents around the Nation follow suit. She said to her girls, "You will be reading more than you watch TV." [*Laughter*] That's pretty hard to do.

She's excited by the fact that Ms. Switzer and the teachers here are using research-based reading programs. I'm sure some of you are aware of these reading debates that go on around the country. Endless hours of air time are spent—"This one works. This one doesn't work." The only way you can know is you measure.

And so Ms. Switzer has taken a program that achieves measurable results and is spreading it all across this school. And as a result, the students here are improving dramatically when it comes to reading. And as a result, test scores in other subjects are improving dramatically as well. Congratulations for a job well done.

To make sure that people can find work in the 21st century, high school graduates also need a firm grasp on math. I'm proposing a $120 million initiative to improve high school math. With these funds, school districts will set up programs to train math teachers in methods proven to succeed. Every student should be prepared in math so that every graduate has the skills necessary to succeed.

I talked to Stuart Singer. He's a math teacher here. You may have heard of him. He's only been here 32 years. [*Laughter*] He recognizes what I recognize, that the best jobs are those that require math, some sense of understanding of math. And too many of our students don't understand that—understand math. And we've got to get it right. I want to thank you for teaching, Stuart. Stuart, by the way—you're not going to believe this—falls in the incredibly small-world category. He graduated from SMU in Dallas the same year that Laura graduated from SMU in Dallas. I asked them if they ever went to the bar together, but—[*laughter*]—both of them said no, they were in the library, which—

[*laughter*]—probably distinguishes their college career from mine. [*Laughter*]

One of the things we must be willing to always do is raise the bar. We've got to continue to raise the bar in our high schools. And one of the best ways to do so is by promoting advanced placement and the international baccalaureate programs. At Stuart High, you've got a fantastic IB program. It really means that you're willing to challenge every student. That's what it says. It just says we're not going to be—we just simply will not accept the status quo, that we're going to try to bring innovative programs to this school to continue to raise the bar, to challenge students as best as we possibly can.

Stuart, by the way, offers an IB course—or IB courses. He talks about former students that have come back from college that have taken the IB classes, and he says the sacrifice—they say the sacrifice is worth it. It makes a big impact. And that's important.

And so for the students here wondering whether or not the American experience or the American future belongs to you—absolutely. But it's up to you to decide to continue to soar and to seek new heights. And this school—one reason Stuart succeeds is because the school continually raises standards and raises expectations.

And that's what we need to do around the country. Every student with the passion and ability to take an AP or IB class should have the opportunity to do so. That's why we've increased Federal support for AP and IB programs—a 73 percent increase over the current amount is what I'm proposing. These programs will help school districts train teachers to offer college-level courses. In other words, you can't offer a program in a high school unless the teachers are trained to do so.

And we also need to help low-income students pay for the tests. It does not make any sense that a family budget, when it comes to taking AP tests or IB tests, should stand between a student's dreams and the ability to take the test.

Another way to encourage students to take demanding courses is through the State Scholars Program. In Virginia, you have a similar program which gives high schoolers an incentive to take advanced courses in math and science and other subjects. That makes a lot of sense. Taking high-level courses like these makes the graduates more likely to succeed. And so it makes sense for the Federal Government to work with the State government and the State government to work with the local districts to continue to provide incentives to encourage students to take tougher and tougher courses, to take a more rigorous course load. And so we're going to continue to fund State Scholars Programs around the country because they get results.

And I believe another way to encourage students to take rigorous classes is to enhance the Pell grant scholarships for low-income students who've completed the State Scholars Program. High achieving students who take rigorous course loads will receive up to an additional thousand dollars during each of their first 2 years in college.

Let me talk about our Nation's teachers. I was the Governor of Texas once, and one our great Governors was Sam Houston. And he had been a United States Senator and a Governor. He was actually the President of Texas. We were a country once. [*Laughter*] He had a lot of interesting jobs. He was quite a colorful character. They asked him, toward the end of his life, what was the most important thing he had ever done. He said, "Being a teacher." I want to thank the teachers who are here. You've got a tough job, but you have a vital job.

By the way, I want to thank the parents who take an interest in your child's education. A mom or a dad is the child's first teacher. And a school—I bet you've got a pretty strong PTA here, and I want to thank the parents for staying involved with the school. The teachers, I know, appreciate it. I'm sure the principal appreciates

it—most of the time. [*Laughter*] But I appreciate your involvement. It means a lot.

Lastly, I want to thank the Congress for sending a bill called the Crayola Credit, which reimburses teachers for up to $250 of out-of-pocket classroom expenses. It's an important signal that we care about our teachers. It's a proper use of Federal legislation.

We also passed a good piece of legislation that expanded loan forgiveness from $5,000 to $17,500 for talented math, science, and special ed teachers who teach at low-income schools. I thought that was a good piece of legislation. Unfortunately, it's about to expire. So I would hope the Congress—we can work with the Congress to make loan forgiveness permanent. It sends the right signals to our teachers and helps school districts that are looking for good teachers to attract those teachers.

And finally, I believe the Federal Government can put a program together to help reward success for our teachers. I proposed a new $500 million incentive fund to reward teachers who get results. Teachers could qualify for an award by raising student performance or closing the achievement gap or volunteering to teach in low-income schools. That will be up to the local districts, to decide how to disburse the money. But I think it makes sense to encourage excellence by providing a $5,000 bonus to nearly 100,000 outstanding teachers across the country. The program won't be administered at the Federal level. It will be administered at the State and local level. But it's a way to help say to teachers, "Thanks for a job well done. Here's a little extra because of merit. Here's our way of saying thanks for doing what you want to do, which is provide excellence."

And so here's some practical ideas for the Congress to consider as we head into a new session, to make sure that the good folks of this country understand that we're committed to education reform at all levels. We're making great progress because of the No Child Left Behind Act. I will vigorously defend the No Child Left Behind Act. We will not accept rolling back the accountability systems in the No Child Left Behind Act, because I believe the accountability systems are beginning to make a huge difference in the lives of children from all walks of life across this country.

Here's some ideas to help ninth graders when they're coming into high school, so we can assess their problems and meet their needs before they lose hope, so the 68 percent graduation number soars. Here's a way to help reward teachers. Here's a way to provide good incentives. Here's a way to make sure that we achieve what we all want, the best school system in the world.

Thank you for letting me come by to visit. May God bless you all. Thank you all.

NOTE: The President spoke at 10:31 a.m. in the school's main gymnasium.

Remarks to Reporters Following Briefings in Arlington, Virginia
January 13, 2005

War on Terror/Indian Ocean Earthquake and Tsunamis Disaster Relief

The President. Mr. Secretary, thank you very much for the briefing that we just had. The Secretary arranged for a briefing from Admiral Fargo and our commanders on the ground who are providing organization and handling the relief effort for the victims of the tsunamis. I got to tell you, our military is making a significant difference in providing relief and aid and help

and compassion for those who have suffered. I am very impressed, Mr. Secretary, by how quickly we have responded and the assets that you have ordered deployed to help these people. And there's a lot of talk about how some in the world don't appreciate America. Well, I can assure you that those who have been helped by our military appreciate America.

We also talked about the war on terror. We're constantly reviewing our strategy as to how to defeat the enemy—fully recognize that the war on terror will require a coordinated effort within our own Government as well as a coordinated effort with the countries around the world which understand the stakes of this war. I am pleased with the response from around the world, appreciate so many nations understanding that we must work together to defeat these killers. I'm mindful of the fact that we have—constantly have got to review our plans and never lose our will.

So, Mr. Secretary, thanks for the briefing. It was a very good briefing, and you're doing a fine job on behalf of the American people.

Secretary of Defense Donald H. Rumsfeld. Thank you, sir.

The President. Thank you all.

NOTE: The President spoke at 11:21 a.m. at the Pentagon. In his remarks, he referred to Adm. Thomas B. Fargo, USN, commander, U.S. Pacific Command.

Letter to Congressional Leaders on Review of Title III of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996

January 13, 2005

Dear _____ :

Consistent with section 306(c)(2) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104–114) (the "Act"), I hereby determine and report to the Congress that suspension for 6 months beyond February 1, 2005, of the right to bring an action under title III of the Act is necessary to the national interests of the United States and will expedite a transition to democracy in Cuba.

Sincerely,

GEORGE W. BUSH

NOTE: Identical letters were sent to Richard G. Lugar, chairman, and Joseph R. Biden, Jr., ranking member, Senate Committee on Foreign Relations; Ted Stevens, chairman, and Robert C. Byrd, ranking member, Senate Committee on Appropriations; Henry J. Hyde, chairman, and Tom Lantos, ranking member, House Committee on International Relations; and Jerry Lewis, chairman, and David R. Obey, ranking member, House Committee on Appropriations. This letter was released by the Office of the Press Secretary on January 14. An original was not available for verification of the content of this letter.

Remarks in a Discussion at Florida Community College at Jacksonville in Jacksonville, Florida
January 14, 2005

The President. Thank you all. Please be seated. Thanks for having me. [*Laughter*] It's an honor to be here. I—it's kind of nice to be introduced by your brother. [*Laughter*] I'm real proud of Jeb. I asked Jeb to take on an important assignment, and that is to travel to the countries that had been hit by the tsunamis. He went with Colin Powell. I couldn't think of two better representatives of the United States of America to show the compassion and heart of the people of the United States of America.

For those of you who have given your hard-earned dollars to help the victims, I want to thank you for that. I also want to remind you, there's a lot of other work to be done at home and around the world. Please don't let your gift to help the tsunami victims shortchange other vital programs to help feed the hungry and to provide comfort for those who have been—those who need help.

And so Jeb, thanks for doing a good—looking forward to seeing you in Washington here pretty soon. They'll turn down the bed for you. [*Laughter*]

I—Steve, thanks for having me. I'm really looking forward to talking about the importance of the community college system in the United States and in Florida to help make sure that we train people for jobs. That's what we're here to talk about, how to help people improve their lives. And the community college system is a vital part of a hopeful America. So thanks for having me.

I want to thank all the folks who teach here. I want to thank the folks who put up with my entourage. [*Laughter*] It's quite large these days. [*Laughter*]

I'm proud to be traveling in the limo today with Mel Martinez, the new United States Senator. I flew down today with Ander Crenshaw, the fine United States Congressman. And also, the mayor came out to say hello. And I appreciate the mayor. Mayor Peyton, thanks for joining us. I appreciate you coming.

So there I was with the Senator, the Congressman, the mayor, and the Governor, and guess what we talked about? [*Laughter*] We talked about the importance of Jacksonville, Florida, to the security of the United States of America. And I appreciate so very much the very strong presentation these leaders made about the importance of Mayport. I listened very carefully. I know full well that Jacksonville is the home port that most in the United States Navy want to be based at. I fully understand the importance of Mayport and the Navy to the economy of Jacksonville, Florida.

I want to thank you, Mr. Mayor, for your willingness to take time out of your schedule to brief me on the realities of the situation here. And I'll take your message back to Washington, DC.

I want to thank John Winn, the commissioner of education from this great State of Florida. Just do what the Governor tells you to do. I want to thank—[*laughter*]—isn't that what you told me to say, Jeb? [*Laughter*] I want to thank David Armstrong, who's the chancellor of the Community Colleges and of Workforce Education. I want to thank all the State and local officials who are here. I want to thank our panelists. I think you're going to find some interesting stories here. I'm going to try to tell you something about education. They can tell you firsthand what is—some of them can tell you firsthand what it's like to go to school at the community college. I think you're going to find it fascinating. I certainly did, during our discussion.

I met a fellow named Steve Miller, who mentors low-income high school students and helps them prepare for college. Where are you, Steve? There he is, right there. Thanks for coming out. Listen, he is a volunteer, and one of the things—one of the important—one of the strengths—the strength of America is the heart and soul of our citizens. We like to talk about our military representing the strength of America—and it does to a certain extent—and the size of our wallets representing the strength of America. But the true strength of the United States of America lies in the hearts and souls of our citizens. And I want to thank Steve for taking time out of his life to mentor a child. It's a fantastic gift, and I appreciate the example you have set. And if you want to serve our country, love your neighbor just like you'd like to be loved yourself.

I—we've got a lot on the agenda. Obviously, winning the war on terror is still on my mind. And I want to appreciate those of you who wear our Nation's uniform for your sacrifice and for joining our great country's cause of freedom.

We will stay on the hunt to bring killers to justice before they hurt us. In the long run, we will defeat the enemy by spreading freedom. And it's been a remarkable 3 months for freedom around the world. People in Afghanistan voted for a President. People in the Palestinian Territory voted for a new leader. And on January the 30th, amazingly enough, the people of Iraq will be going to the polls to elect leadership that will guide this country forward.

And I'm so optimistic about the future, because I believe deep in everybody's soul is the desire to live in a free world. I know that mothers of all religions want to raise their child in a peaceful society. And I firmly believe that the more freedom spreads, the more peace will spread. And so I want to thank those in the military for helping us to achieve a grand mission during historic times.

At home, we've got to keep this economy growing, and that's why we're going to keep the taxes low. I'm looking forward to Congress to—passing a smart budget, one that recognizes we got to be wise about how we spend your money and deal with our deficit. I'm looking forward to Congress to make sure that—working with Congress to make sure America is the best place for the small business to grow and flourish. That means we need legal reform; we need class-action reform, asbestos reform, and medical liability reform.

We've got a lot to do. I noticed we've got some young—younger folks here today. There you—yes. I can't help but look at you and realize we have a responsibility to do something about Social Security. If you're retired, you don't have anything to worry about Social Security, because you're going to get your check. You can forget about the old days of saying, "Well, if they talk about Social Security, I'm not going to get my check." The Social Security trust has got plenty of money in it to take care of those who have retired or near retirement.

But if you're a youngster in America, you better understand that by the time—if you're in the twenties and by the time you retire, if nothing is done about Social Security, the system will be bust. In other words, there won't be anything available for you.

And so I'm going to work with Congress to take on this big problem. We have a problem, and now is the time to fix it. The longer we wait, the harder it is to fix it. And we have a duty to the youngsters of America to make sure the retirement system is available for them.

And we have a duty to continue to make sure every child is educated in this country. There are some I've heard that say, "Well, maybe we ought to change the No Child Left Behind Act." Forget it. The No Child Left Behind Act is working. We've set high standards. We believe every child can learn, and we're going to measure to make sure

that every child is learning. And when they're not, we'll correct problems early, before it's too late.

And here in Florida, I just—I can't tell you how proud I am of Jeb and his education initiatives because they're so hopeful. He, like others, just refuses to shuffle kids through the system without making sure there's excellence available for every child.

And so I look forward to continuing the education reform, the spirit of high standards to the high school systems in America. I want to work with Congress to get some positive initiatives passed, because we have a duty in the country to make sure that the next generation not only has a retirement system but is educated and literate.

Now, to make sure America is the most competitive place in the world, the best place to do business, a place where people can work, we've got to make sure education systems actually educate willing workers for the jobs which exist. And that's why I'm here at the community college system today. The community college system is flexible. It is available. It's got the ability to change a curriculum to meet the needs. It's the demand-driven education system, which works. I believe government ought to fund that which works and de-fund that which does not work.

And the community college system is viable. And that's why I worked with Congress to get 250 million passed last time. It's still in the budget for this time. I'm looking forward to working with Mel and Ander to make sure the community college programs—the job training programs is really what they are—remains viable.

You see, it used to be that they'd say to a State, "Just go educate people." And so all that mattered was the number of people educated. Now we're saying, "Educate people for jobs which exist so that you're actually helping people, not conforming to an empty bureaucratic standard."

And that's why, since the community colleges are able to do that, I'm confident—and encouraging our Secretary of Labor to continue moving forward with high-growth job training initiative grants. I know you've received some from the Federal Government, I think about $4 million worth. It's money well-spent. I can confidently tell the taxpayers that the money spent here is making a difference. Somebody else is going to tell you who has got more authority on the subject than I do. That's the person who runs the school.

I want to talk about an interesting program that I'm going to submit to Congress, here real quickly, and that is how to make sure the Pell grants work better. Pell grants are really important. Pell grants make it possible for people to go to school who otherwise won't go to school. I'm about to talk to some Pell grant recipients here. We've added about a million students in the last 4 years to the Pell grant program. I think that is money really well-spent.

I'm going to reform the student loan program to make it more—or ask Congress to reform it to make it more effective and efficient, and thereby saving money. We've got a unique way of saving money, and that saved money from the administration of the student loan program will be plowed into the Pell grant program. There's a $4.3 billion shortfall in the Pell grant program. We intend to use the savings from changing how student loans are granted and administrated—administered to closing that deficit.

We want to increase the Pell grants by $100 a year over—$100 per year over the next 5 years. We want to continue to say to students who take rigorous course loads throughout Florida and the country that when you do so and you qualify for a Pell grant, you'll get an extra $1,000 on your Pell grant. In other words, we want to raise the standards and provide incentives for people to aim high in life. And that's what the Pell grants can be used for. And so I'm looking for Congress to get this new program and initiative in place.

And finally, I know many of you here are involved with the Workforce Investment Act. It needs to be reformed. It needs to be changed so more people are trained. Right now, the Workforce Investment Act is—trains about 200,000 people. I think with some reasonable reforms, some flexibility in the program, less proscription by the United States Congress on how the program is administered, we can double the number of people trained under the Workforce Investment Act for the same amount of money. And that's what we intend to work with Congress on doing.

So that's what I'm here to talk about, what Congress can—how we can work together to make sure this community college system is viable and vibrant but really to make sure people can find work. That's what it is, to make sure the education system focuses on the needs of the students. Government can help, the Federal Government can help. But it's going to require a collaborative effort between the Federal Government, the State government, and the local government.

And that's why I'm so proud that Susan Pareigis is with us today. What do you do?

Susan Pareigis. I work for your brother. [*Laughter*]

The President. That's a heavy lift. [*Laughter*] Fine lad, but it's a heavy lift. [*Laughter*]

Ms. Pareigis. I'm the director for the Agency for Workforce Innovation, and we are really trying here at the local level and at the State level to make sure that we marry the jobs, as you describe, in the marketplace, that we have the students coming out of the education system with the skills and the training that they need at the job site.

The President. All right. And so give us some idea of what you and brother are doing to make sure the community college—how do you help the community college system?

[*At this point, Ms. Pareigis, director, Florida Agency for Workforce Innovation, Tallahassee, FL, made further remarks.*]

The President. Yes, see, this is a really important point. Government tends to change incrementally, and as it does, there's another set of rules and another set of regulations. And then, sure enough, after a while, you wake up and the money has got a lot of strings to it, and—which makes it hard for Governors and Susan to do their job. And so, one of the things this administration will do throughout our budget, in particular—today we're talking about the Workforce Investment Act—is to provide as much flexibility as possible. That way, we can say with certainty to the taxpayer, "We're results-oriented people." As opposed to focusing on the process, we think government ought to focus on the results and give flexibility to those who are charged with making sure we achieve results. And so I want to appreciate you bringing up the flexibility issue.

I look forward to working with the Congress to provide as much flexibility as possible. It's very important for those who write the law to understand you've got to make sure you align authority and responsibility. And a good way to do so at the Federal level is to pass the power back to those who we're holding responsible for spending the money. Thank you for bringing it up.

Ms. Pareigis. Thank you very much.

The President. You got anything else? I notice you're on the President's National Hire Veterans Committee. Thanks for joining.

Ms. Pareigis. Thank you for letting me serve. I would tell you that we work with our veterans on a daily basis within the State of Florida. We think they're very strong candidates for the job community, and we're glad to have them.

The President. You've got a lot of great veterans here in the Jacksonville area, I know that.

Okay, speaking about aligning authority and responsibility—Mr. President. [*Laughter*]

Steven Wallace. Yes, sir.

The President. Steve Wallace. How long have you been here?

Dr. Wallace. Seven and a half years, Mr. President.

The President. Great. Let her rip. Here's your chance to tell us. [*Laughter*]

Dr. Wallace. Well, first of all, Mr. President, on behalf of the 60,000 students and 4,000 employees of Florida Community College, we welcome you here. We are thrilled——

The President. Thousand?

Dr. Wallace. Yes, sir.

The President. That's good. That's a lot.

Dr. Wallace. I also want to thank you for your extraordinary support of America's community colleges.

The President. Well, thanks for saying that. I appreciate that. I'm proud to do so. You know why? Because they work.

Dr. Wallace. And we're getting better all the time.

The President. That's good. So give us a sense for—what has changed? What do you see in your future? Why are 60,000 people coming here? I mean, it's a pretty good sign when that many people have made a conscious decision to come to your school. Something must be going right.

[*Dr. Wallace, president, Florida Community College at Jacksonville, made further remarks.*]

The President. It's pretty interesting, isn't it, when you think about it. So you get—a group of employers come to the community college and say, "Here's what we're looking for," and the community college is able to adjust its curriculum, which is sometimes hard to do in educational—in the educational world, adjust its curriculum to meet the needs. That's what you're saying, I think.

Dr. Wallace. Absolutely.

The President. Whew. Got it right. [*Laughter*] You got anything else you want to tell me while you got me? Never mind. [*Laughter*]

Should we go to Eric? You ready?

Eric Mitchell. Yes, sir.

The President. Eric, where do you go to school?

Mr. Mitchell. I currently attend Florida Community College in Jacksonville.

The President. Fabulous. Tell us a little bit—I'm not going to ask you how old you are. [*Laughter*]

Mr. Mitchell. Currently, I'm an engineer here with the Jacksonville Fire Department.

The President. Fantastic.

[*Mr. Mitchell, student, Florida Community College, and firefighter/engineer, Jacksonville Fire and Rescue, Jacksonville, FL, made further remarks.*]

The President. Right. And so, first you had to make up your mind, obviously. I guess the easier path would have said, "Well, I'm doing okay. I think I'll just do what I'm doing." Somehow, something clicked and said, "I think I'm going to go back to school," right?

Mr. Mitchell. Right.

The President. Well, see, government can't make you do that. [*Laughter*] It's called personal ambition. That comes from your soul. Anyway, so you decide—so what happens?

Mr. Mitchell. So I decided to go back to school, and an opportunity arose within the department to obtain my paramedic license. And so that's what I'm doing currently right now. And the way that I'm funding that is actually through financial aid, student loans and the Pell grant as well as, this semester, a scholarship.

The President. Fantastic. So, in other words, there's help. If somebody's out there listening, you're looking—kind of an older guy here, graduated in '95. Not really old—[*laughter*]—compared to me and the old president there—[*laughter*]—but a little

older. And you're probably wondering whether or not it makes sense to go back to school. And you're saying, "Well, gosh, I can't afford it." There's plenty of help. You received it.

Mr. Mitchell. Yes, I did.

The President. And that's helpful. I mean, he's got a son to raise. He's probably wondering how to make sure that he can do—be the dad, provide, and at the same time go back to school. There's help—you've got to know that—the Pell grant program, the loan program. And now, as I understand it, this is kind of an upgrade. In other words, you're able to say if you get this degree, it enables you to maybe make a little more money?

Mr. Mitchell. Correct, correct. It opens doors for advancement, as far as promotional. And with 85 to 90 percent of our call volume being EMS-related, it actually makes me better at my job.

The President. Yes, see, this is important for people to understand, and that is that—there's a lot of talk about productivity in our society. Productivity translates to higher wages over time. And one way to become more productive is to get an additional education. And that's what Eric has done. And so he's taking time; he's getting loans. But he's going to make a lot more money than he's making today. I'm not going to tell you how much more, because he's afraid the IRS man is watching. [*Laughter*] I won't tell him.

But I appreciate you coming back to school. I think it means a lot to hear a story about somebody who has been out of school for a while, working in the fire department, sees an opportunity, comes to the community college. It says a lot about you, and it says a lot about the community college. There is a program tailored to meet this man's needs, which I appreciate.

All right, here we go. Kim wasn't so sure, when I came barging in the room, that this was such a cool idea after all. [*Laughter*] Right? Name, please. [*Laughter*] This is Kim Wilkerson, a student at the Florida Community College. Right?

Kim Wilkerson. Yes. Hello.

The President. Let her go. Went to high school?

Ms. Wilkerson. Yes, sir. [*Laughter*]

The President. She said she likes short answers. [*Laughter*] How many children do you have? One. [*Laughter*] This is a great story, by the way. We're about to get to it. I'm not telling—I mean, it is—[*laughter*]—went to high school and was working for quite a while and decided to go back to school.

Ms. Wilkerson. I decided to go back in 1999 after I had my daughter. And I worked dead-end jobs, and I realized that a college education was the best way to go to provide for her and myself.

The President. Just stop right there. It's kind of like what we call personal responsibility, where—so what—how did you know what to do? I mean, so it's time to go back to college. There's two issues: One, what do you major in, and how is it paid for. That's what people are going to be asking. They say, "Well, I've heard Kim. She said she had to go back to college." Were you able to get financing?

Ms. Wilkerson. Yes, sir. I've got Pell grants and loans.

The President. Good, so that's made it a little easier to go back?

Ms. Wilkerson. Yes, sir. Without that, it would have been impossible to go.

The President. That's why Pell grants are important. That's why we want to expand them. That's why we want to make sure they're available, so that people feel comfortable going back. Then how did you know what to do? I mean, how did you know what to major in, what subject to take? Was there help here at the community college, for example, a kind of career counseling?

Ms. Wilkerson. Yes. My first choice was addictions counseling. And I realized I really didn't want to go into that. And I went to the Advanced Technology Center and

talked with Mr. Lance Wallace, and he gave me a tour.

The President. Is Wallace here? He should be. He's about to get national publicity, and he didn't show up. [*Laughter*]

Anyway, so there's a place where you could go get counseling. The reason we're going through this is that if somebody is listening, there's help. So you go get counseling.

Ms. Wilkerson. Yes, sir. I go talk with Lance, and he explains the program that I went into, which is computer engineering technology.

The President. That sounds pretty sophisticated, computer engineering technology. Was it intimidating when you first heard that?

Ms. Wilkerson. Yes.

The President. Yes. And you've mastered it.

Ms. Wilkerson. Yes. Well, I'm on my way to mastering it. [*Laughter*]

The President. Good. That's good. That's what——

Ms. Wilkerson. And I will have it mastered, so——

The President. There you go. That's the right attitude. And so the person said, "These are the kind of jobs which exist," I presume—Wallace.

Ms. Wilkerson. Yes.

The President. So, like, if you get the degree, you're liable to find a job in this field, and it interests you.

Ms. Wilkerson. Yes, sir.

The President. And you said, "Let's get after it."

Ms. Wilkerson. Oh, yes.

The President. And what's really interesting is that you were being paid maybe $16,000 a year, kind of, in the jobs that you had previously? Is that what you had mentioned to me?

Ms. Wilkerson. Yes, sir.

The President. And when you get your degree, you'll be eligible for jobs which start at $61,000 a year?

Ms. Wilkerson. Yes, sir.

The President. Is that right?

Ms. Wilkerson. Yes, sir.

The President. No doubt in my mind you're going to succeed. Probably be number one in your class, when it's all said and done.

Ms. Wilkerson. I am definitely trying.

The President. Yes, well, even if you're not, there's others of us who had—weren't number one, either—[*laughter*]—if you know what I mean. How about the story, though, seriously? Somebody who has worked a series of jobs, has a responsibility as a mom, hears about the availability of the program. She gets help—I presume the school helps people with the loans and Pell grants and, "This is what you quality for." You've got a whole office for that.

Dr. Wallace. We have a whole network of offices.

The President. And she gets a little—takes some time to—it must have been a little frightening, I would suspect. Or not—I mean, I don't want to put words in your mouth. [*Laughter*] So were you confident coming in? I mean, seriously.

Ms. Wilkerson. I was very afraid at first.

The President. Yes, see, I was right.

Ms. Wilkerson. But with great family support, I made it.

The President. Now, you're doing great. This is a fantastic—this is an important story. It's an important story for a lot of reasons. It's an important story because it shows how effective the community college system can be. It's an important story for those of us at the Federal level who are deciding Pell grants, because a Pell grant has—it sounds like—but it's—there's a human dimension to it when you start hearing how they're applied—Pell grants are applied. And it's an important story because if you so desire, there's a pathway for a better tomorrow. And I really want to thank you for sharing it with us. It's great.

Ms. Wilkerson. You're welcome. Thank you.

The President. Really good job.

Ms. Wilkerson. Thank you.

The President. Finally, we've got Jim McCollum with us. Jim works for——

Jim McCollum. BellSouth.

The President. That's good. And I believe there is a responsibility in corporate America to work with the community college system and other agencies to help people help themselves. And explain what you do, Jim. I think people find this to be very interesting.

Mr. McCollum. Thank you, Mr. President.

The President. Make it a little easier to pay the phone bills.

[*Mr. McCollum, regional director, Corporate and External Affairs, BellSouth, Amelia Island, FL, made further remarks.*]

The President. That's great, yes. Thanks. It's a competitive world. Telecommunications is competitive, and these companies are constantly having to update their skill levels. In other words, it used to be if you could handle a shovel, you're in pretty good shape when it came to employment. I'm talking about way back. [*Laughter*] Now, all of the sudden, the skill set is completely different and it's changing. And one of the things that Jim said I think is interesting is that we're constantly trying to make our—work with our employees to help them become more productive. In other words, it's ongoing education. Education is not just a moment that you quit. There's a constant process, and the community college system fits in nicely with that. I presume you're pretty well linked up with the president there.

Mr. McCollum. Well, I also—I do know Dr. Wallace. I also have the opportunity to be—to serve on the board for his Advanced Technology Center, and if I could explain that——

The President. I wish you would. Helps you.

Mr. McCollum. Rather than just opening another division of the college to meet the needs of future work skills, we collaborated the local, political, and private and public and educational sectors, and with Susan and Governor Bush in Tallahassee, and said, "Let's look at the type of jobs and type of companies that we want to bring to northeast Florida." And we did that, and we said, "Okay, here's the type of companies," and we did studies. And then we said, "Okay, what are those specific skill sets?"

We went to Dr. Wallace, met with them, and they said, "Well, why don't we just develop the technology center," which we did. And it addresses those very specific companies that we want to bring in here so that when we do, they will be graduating employees that will come out and go to work.

The President. Yes, that's really smart. Nice going, Mayor. This is a smart chamber of commerce—people who are responsible for attracting capital and jobs to a community—is one which effectively utilizes the community college system. If people—a company knows that they're going to find a skilled workforce, they're coming.

And I appreciate you bringing up that point. It makes sense. So how many businesses are actively involved with the community college system, would you say? Are you the right person to ask? Maybe Dr. Wallace knows that.

Mr. McCollum. We've got 4,000 businesses that are members of the Jacksonville Regional Chamber of Commerce, and I don't know the exact number within——

The President. A lot?

Mr. McCollum. But I would say 75 percent would be a very easy number.

The President. No wonder this is such a vibrant community. It is utilizing all its assets to continually—to make this—Jacksonville an attractive place for a lot of reasons, and—got anything else you want to say?

Mr. McCollum. Just thank you for being here, and thank you for the job you're doing.

The President. Yes, thanks. Listen, I—[*applause*]—thanks. I want to thank our—

the folks sitting up here, willing to get in front of all the cameras and talk. [*Laughter*] You can get used to it. [*Laughter*]

But I hope you found this interesting. I certainly did. I love to see success. And I think part of my job is to herald success, and part of the job of those of us who have been elected is to focus on success, which means results. And we're getting fantastic results all around our country from our wonderful community college system.

Jeb told me that coming to—when I came to Jacksonville, I'd see one of the great community college systems in the country. I suspect he's right, Dr. Wallace. You get a lot of credit for it. And you get a lot of credit for being able to attract well-motivated, incredibly smart students.

So I want to thank you all for coming today. May God bless you all. May God continue to bless our country.

NOTE: The President spoke at 12:59 p.m. at the South Campus. In his remarks, he referred to Gov. Jeb Bush of Florida; Mayor John Peyton of Jacksonville, FL; and J. David Armstrong, Jr., chancellor, Florida Community Colleges & Workforce Education, Florida Department of Education.

The President's Radio Address
January 15, 2005

Good morning. This week, I met with some of our fellow citizens from across the country to discuss one of the great responsibilities of our Nation, strengthening Social Security for our children and grandchildren.

For 70 years, the Social Security system has fulfilled the promise made by President Franklin Roosevelt, keeping our elderly citizens out of poverty while assuring younger Americans a more secure future. Along with employer-funded pensions and personal savings, Social Security is for millions of Americans a critical element to their plans for a stable retirement. And for today's senior citizens and those nearing retirement, the system is sound. But for younger workers, Social Security is on the road to bankruptcy. And if we do not fix it now, the system will not be able to pay the benefits promised to our children and grandchildren.

When President Roosevelt signed the Social Security Act in 1935, the average life expectancy was about 60 years, which meant that most Americans would not live to become eligible for benefits, then set at age 65.

Today, most Americans enjoy longer lives and longer retirements. And that presents a looming challenge. Because Social Security was created as a pay-as-you-go system, current retirees are supported by the taxes paid by current workers. Unfortunately, the ratio of workers to retirees is falling steadily. In the 1950s, there were about 16 workers paying in for each person drawing out. Today, it's about three workers for every beneficiary. And by the time today's workers in their mid-twenties begin to retire, there will be just over two.

What this means is that in the year 2018, the system will go into the red, paying out more in benefits each year than it receives in payroll taxes. After that, the shortfalls will grow larger until 2042, when the whole system will be bankrupt. The total projected shortfall is $10.4 trillion. To put that number in perspective, $10.4 trillion is nearly twice the combined wages of every single working American in 2004.

Every year we put off the coming crisis, the higher the price our children and

grandchildren will have to pay. According to the Social Security Trustees, waiting just 1 year adds $600 billion to the cost of fixing Social Security. If we do not act now, Government will eventually be left with two choices, dramatically reduce benefits or impose a massive, economically ruinous tax increase. Leaving our children with such a mess would be a generational betrayal.

We owe it to the American worker to fix Social Security now, and our reforms begin with three essential commitments. First, if you're receiving your Social Security check or nearing retirement, nothing will change for you. Your benefits are secure. Second, we must not increase payroll taxes on American workers because raising taxes will slow economic growth. Third, we must give younger workers, on a voluntary basis, the option to save some of their payroll taxes in a personal retirement account.

Unlike Social Security benefits, which can be taken away by politicians, the money in a personal account would be yours. And unlike the money you put into Social Security today, the money in personal accounts would grow. A child born today can expect less than a 2 percent return after inflation on the money they pay into Social Security. A conservative mix of bonds and stocks would over time produce a larger return. Personal accounts would give every younger worker, regardless of income, the chance to save a nest egg for their later years and pass something on to their children.

Saving Social Security is an economic challenge, but it is also a profound moral obligation. Today's young Americans deserve the same security their parents and grandparents enjoyed. Because the system is broken and promises are being made that Social Security cannot keep, we need to act now to strengthen and preserve Social Security.

I look forward to working with Members of Congress from both parties to keep the promise of Social Security.

Thank you for listening.

NOTE: The address was recorded at 7:25 a.m. on January 14 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on January 15. The transcript was made available by the Office of the Press Secretary on January 14 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks at Georgetown University's "Let Freedom Ring" Celebration
January 17, 2005

Thank you all. Thanks for coming. Thanks for the invitation. Laura and I are pleased to join you on this national holiday as we honor two exceptional Americans who we're proud to call friends.

I want to thank Dr. DeGioia and Georgetown University for sponsoring the John Thompson Legacy of a Dream Award. I want to thank the Georgetown Gospel Choir for sharing their gifts at this celebration. I want to thank John Thompson for being here and for setting such a great example. I appreciate the thoughtful words from one of the most recognized voices in America, Tom Joyner. I can't wait to hear Aaron Neville. I want to thank the Members of Congress, the members of my administration, and all the distinguished guests who are here today. I also want to thank Dr. Dorothy Height for joining us this afternoon.

Every year on this day we reflect the history of civil rights in America. It's a story of our Founders—among them, slaveowners—who declared a standard of equality and justice that would one day be used

to put an end to slavery. It's a story of a terrible war that freed men and women from bondage but not from oppression and segregation. It's a story of generations "not having received the promises but having seen them afar off." And it's a story of Americans like Reverend Dr. Martin Luther King, Jr., who held our Nation to those promises and would not rest until they were written into law.

Dr. King was a minister of the Gospel who could have had an easy life in a respected pulpit. Today he would be just 76 years old. Instead, he chose to minister in the spirit of John Wesley, who said, "I look upon all the world as my parish." The Nation first took notice in the 1950s and in the 1960s, when he wrote, "I am in Birmingham because injustice is here." In the space of just a few years, through the power of his intellect, the truth of his words, and the example of his courage, he left this country a different and better place and made his own journey to a different and better place.

Dr. King believed so fully in the ideals of America that he was offended every day that they were violated. He had studied the founding documents and found no exceptions to the promise of freedom. He was disappointed in the unfair practices of his country. Yet he said, "There can be no deep disappointment where there is not deep love." Dr. King loved America enough to confront its injustices, not compromising the truth and not fearing any man, and America loves him in return.

Martin Luther King also knew that man's right to be free is rooted in something far beyond the charters of a country. He believed and he knew that the image of God we share is a source of our dignity as human beings and the basis for our equality. He believed and he knew that the teachings of Jesus stand in eternal judgment of oppression. He believed and he knew that the God who made us for freedom will bring us to freedom.

By observing and honoring Dr. King's birthday, we teach the next generation lessons that must never be forgotten. We need our children to know how great the struggle for racial justice in our society has been and how much work remains to be done. We need them to know that the greatest causes sometime involve the greatest sacrifices and that history moves forward on the strength of those sacrifices. And we need the children of America to know that a single life of conscience and purpose can touch and lift up many lives.

The influence of one good life is also the message of the Legacy of a Dream Award—in this case the influence of two good lives. Alma and Colin Powell are among the most admired people in our country. For these 4 years, they've also been America's representatives to the world. They are honorable people who bring honor to this Nation, and America is grateful for their example of service.

As their friends know, Alma and Colin met on a blind date. [*Laughter*] Alma has said she remembers the future general looking like a lost 12-year-old. [*Laughter*] That's the side of the man I've never seen before. [*Laughter*] For his part, Colin has said that night he was "mesmerized by a pair of luminous eyes, an unusual shade of green." And from that day to this, he has been fortunate to have this beautiful, accomplished woman at his side.

Colin Powell has lived his own inspiring story, a story of exceptional accomplishment that started before segregation ended. When he was a young officer, someone told him, "You are the best black lieutenant I have ever known." He later wrote, "Inside me, I was thinking, if you intend to measure me only against black lieutenants, you are making a mistake." [*Laughter*] He went on to write, "I'm going to show you the best lieutenant in the Army, period."

The best lieutenant in the Army went on to a distinguished military career that ended with four stars on his shoulder. Along the way, he earned two Purple

Hearts, the Bronze Star, the Soldier's Medal, the Legion of Merit, the Congressional Gold Medal, and two Presidential Medals of Freedom. I'm not through yet. [*Laughter*] I'm just getting started. [*Laughter*] See, he's been an official in the administration of six Presidents, including service as the National Security Adviser to President Reagan, the Chairman of the Joint Chiefs of Staff under Presidents Bush and Clinton.

More than 4 years ago, when I needed a Secretary of State, I knew what I was looking for. I wanted someone who believed deeply in the values of our country and could share them with the world, a person of wisdom and decency, a leader who could bring out the best in people. I found all this and more in Colin Powell. Our 65th Secretary of State became one of the most effective and admired diplomats in America's history. He has helped to rally the world in a global war and to resolve dangerous regional conflicts and to confront the desperate challenges of natural disaster and hunger and poverty and disease. He's been tireless and selfless and principled. In the work he and I have shared, he has become a great friend, and I appreciate all he has done for our wonderful country.

His proudest achievements probably have little to do with public service. See, he's a wonderful dad to Michael and Anne-Marie and Linda. Over the years, he's been a mentor to young people. As a founder of America's Promise, Colin has drawn countless others to become involved in the lives of children and to give them the hope and confidence they need for a successful life. Today we honor not just Colin Powell's lifetime of leadership, but we honor his great kindness and his compassion.

The same kinds of idealism and character have marked the life of Alma Johnson Powell. Like her husband, she was raised by strong and decent people. And Birmingham, where Martin Luther King was jailed—Birmingham, which—where he was jailed, was also the home of the Johnson family. That's where she was raised, in other words. [*Laughter*] Alma remembers her father during the worst of days sitting up at night with a shotgun by his side to protect his wife and his children. Mr. Johnson was a high school principal, and he was a legend to generations of students who remember his high standards and his imposing presence. His daughter, Alma, has always been impressive as well because of her grace and her principle.

For many years, Alma served America as a soldier's wife, moving the household 18 times and leading the family when the Army—anyone who wants to know the meaning of duty and unselfish love can look at our military families, like the Powells. This good-hearted mother and grandmother shares her love with others as the chair of America's Promise. People here at the Kennedy Center know her as the leading member of the board of trustees. She's a noted author of several children's books and a volunteer who gives her time to help young people make good choices in life. Alma Powell is one of the finest people Laura and I are privileged to know. And she is a superb choice for the Legacy of a Dream Award. I'm not kidding, either.

You have chosen, on this important day for America, to pay tribute to a woman and a man who have upheld the highest ideal of American citizenship. In their love of country and their heart for service, they show the same character found in the life of Dr. Martin Luther King. Thank you for the privilege of joining you this afternoon and for the pleasure of being able to honor these fine, fine Americans.

May God bless the Powells, and may God continue to bless the United States of America.

NOTE: The President spoke at 4:16 p.m. at the John F. Kennedy Center for the Performing Arts. In his remarks, he referred to John J. DeGioia, president, and John Thompson, former head men's basketball coach,

Georgetown University; radio show host Tom Joyner; entertainer Aaron Neville; and civil rights leader Dorothy I. Height. The Martin Luther King, Jr., Federal Holiday proclamation of January 14 is listed in Appendix D at the end of this volume.

Remarks "Saluting Those Who Serve"
January 18, 2005

At ease. Thanks for the warm welcome. It is such a pleasure to be with the courageous men and women of the United States Armed Forces. As we prepare to celebrate our Nation's 55th Presidential Inauguration, I can think of no better way to begin than by giving thanks for our freedom and those who make it possible.

Please be seated. It may be a long speech. [*Laughter*]

Whether you serve in the Army, the Navy, the Air Force, Marines, or Coast Guard, each of you has stepped forward to serve. You have risked your lives in faraway mountains and arid deserts, in perilous skies and on the high seas, to defend liberty and to free those trapped by tyranny. As I prepare to take the oath of office, I want you to know how grateful I am for your service and sacrifice and how proud I am to be your Commander in Chief.

And I am really proud of our First Lady, my wife. I love her dearly. I appreciate so very much the service and advice and friendship of our Vice President, Dick Cheney. Like me, he married well. [*Laughter*] It's good to see my mother and father. Secretary Rumsfeld, thank you for your great service to our Nation, and it's good to see Joyce.

I appreciate the military commanders who are here. I want to thank the members of my administration who've joined us, Members of Congress, members of the active military, wounded troops, Congressional Medal of Honor recipients. Family members of our fallen soldiers, thank you so much for being here today.

Our troops watching from Baghdad, Iraq, and Bagram Air Force Base in Afghanistan, God bless you all.

I thank Kelsey Grammer—what a fine man. I appreciate his patriotism and being the emcee of this fantastic event. I want to thank all the other entertainers who have taken of their time to entertain our troops and really to say—what they're doing here is to say, "Thank goodness for your service."

The Inauguration of a President is a great moment in the life of our country. With an election behind us, the American people come together in unity to celebrate our freedom. A Presidential Inauguration is a testament to the power of democracy, a symbol of our confidence in the popular will, and a sign of hope for freedom-loving people everywhere.

We are blessed to live in hopeful times, when the promise of liberty is spreading across the world. In the last 4 years, more than 50 million people have joined the ranks of the free. The people of Afghanistan have thrown off an outlaw regime and chosen a President in the first free elections in that nation's 5,000-year history. And in coming days, the Iraqi people will have their chance to go to the polls, to begin the process of creating a democratic government that will answer to the people, instead of to a thug and a tyrant.

These are landmark events in the history of liberty. And none of it would have been possible without the courage and the determination of the United States Armed Forces.

Through your service and sacrifice in the war on terror, you are making America safer. You're making America safer for not only those of us who live today but for future generations of Americans. Your sacrifice has made it possible for our children and grandchildren to grow up in a safer world.

Many here today have endured long separations from your families. We understand that, and we thank you for that. Some are preparing to do so. Others have suffered terrible injuries, wounds you will carry with you for the rest of your lives. Still others have lost loved ones in this struggle, heroes who gave their lives so that we might live in freedom. We hold them in our hearts; we lift them up in our prayers.

We're grateful to you, and we are grateful to your families who love and support you. Your families miss you, and they worry about you, and they pray for you, always wondering where you are and if you're safe. By their sacrifice, they also serve. Our Nation is grateful to our military families.

You, those who wear our uniform, have given much, and much more will be asked of you in the months and years ahead. In Afghanistan and Iraq, the liberty that has been won at great cost now must be secured. We still face terrorist enemies who wish to harm our people and are seeking weapons that would allow them to kill on an unprecedented scale. These enemies must be stopped, and you are the ones who will stop them.

The road ahead will be difficult and dangerous, but we can proceed with courage and with confidence. History moves toward freedom because the desire for freedom is written in every human heart. And the cause of freedom is in the best of hands, the hands of the United States Armed Forces.

And so, thank you for your service. Thank you for your sacrifice. May God bless you, and may God bless your families, and may God continue to bless the United States of America.

NOTE: The President spoke at 4:18 p.m. at the MCI Center. In his remarks, he referred to Joyce Rumsfeld, wife of Secretary of Defense Donald H. Rumsfeld; and actor Kelsey Grammer.

Letter to Congressional Leaders on Continuation of the National Emergency With Respect to Terrorists Who Threaten To Disrupt the Middle East Peace Process

January 18, 2005

Dear Mr. Speaker: (Dear Mr. President:)

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent to the *Federal Register* for publication the enclosed notice, stating that the emergency declared with respect to foreign terrorists who threaten to disrupt the Middle East peace process is to continue in effect beyond January 23, 2005. The most recent notice continuing this emergency was published in the *Federal Register* on January 21, 2004 (69 *FR* 2991).

The crisis with respect to the grave acts of violence committed by foreign terrorists that disrupt the Middle East peace process that led to the declaration of a national

emergency on January 23, 1995, as expanded on August 20, 1998, has not been resolved. Terrorist groups continue to engage in activities that have the purpose or effect of threatening the Middle East peace process and that are hostile to United States interests in the region. Such actions constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency declared with respect to foreign terrorists who threaten to disrupt the Middle East peace process and to maintain in force the economic sanctions against them to respond to this threat.

Sincerely,

GEORGE W. BUSH

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. An original was not available for verification of the content of this letter. The notice of January 17 is listed in Appendix D at the end of this volume.

Remarks at "America's Future Rocks Today—A Call to Service"
January 18, 2005

Thank you all. I hope you've enjoyed this fantastic concert. I'm traveling—as you can see, I'm traveling in pretty good company today, with the First Lady of the United States, Laura, the mother of Barbara and Jenna who we love dearly.

Listen, I want to thank all the entertainers who were here today. How about Hilary Duff. She was fantastic. Thank you, Hilary. JoJo—JoJo is here—[*applause*]—yes. Ruben Studdard—you talk about a success story. Ryan Cabrera—I appreciate Ryan being here. How about 3 Doors Down? Pretty cool guys, right? Seem cool to me. Fuel—I appreciate Fuel being here.

Jason Sehorn—I'm honored that my friend Jason—and I'm really proud and pleased that he brought his wife, Angie Harmon. I want to thank Steve Baldwin for being with us today. I'm honored that Steve was here. Erika Harold, Miss America 2003—what a fine person Erika is. How about Kelly Perdew, "The Apprentice." Next thing you know, the guy will be running for President. Nancy O'Dell—I'm honored that Nancy is with us. I appreciate you all coming.

Listen, I'm particularly thrilled to be standing on the stage with some of America's soldiers in the army of compassion. So the theme of this Inauguration is to celebrate freedom and to honor service. Today Laura and I went by and we were able to thank some of the men and women who wear our Nation's uniform for their service to our country, for their sacrifice for our freedoms. And today, at this concert, we're particularly thrilled that we're honoring service.

You know what that means? It means love a neighbor just like you'd like to be loved yourself. Take time out of your life to make somebody else's life better. By helping heal a broken heart or surrounding a friend with love or feeding the hungry or providing shelter for the homeless, you can help change America for the better, one heart, one soul, one conscience at a time.

I want to thank you all for setting such a fantastic example. Thank you for your service.

And my call to you all is that as you enjoy the great freedoms of America and as you enjoy yourself at this Inauguration,

I hope you take away the lesson of helping somebody in need. And when you do, it will not only make our country a better place; it will lift up your own spirit.

Thanks for coming. Enjoy yourself. May God bless you all, and may God bless America.

NOTE: The President spoke at 6:54 p.m. at the District of Columbia National Guard Armory. In his remarks, he referred to professional football player Jason Sehorn and his wife, actress Angie Harmon; actor Stephen Baldwin; and television personality Nancy O'Dell.

Remarks at the "Celebration of Freedom" Concert
January 19, 2005

Thank you all. Thank you all for coming. Thanks for being out here in the cold. You know, I was realizing there is—you know, no night is too cold to celebrate freedom.

Mr. Vice President, thank you for your kind introduction. I thank you and Lynne for your fine service to the American people. Our Nation has never had a finer Vice President. Sorry, Dad. [*Laughter*] Our Nation has never had a finer First Lady than Laura. Sorry, Mother. [*Laughter*]

I'm really proud that much of my family is with me tonight and will be there tomorrow. I'm really so happy my dad and mom are with us.

Appreciate the members of the Cabinet who are here, Members of Congress, members of the Armed Forces. How about the Apollo astronauts? I can't thank them enough for coming. And I love our entertainers who are here. I want to thank our host, Ryan Seacrest. Thanks for so much, Ryan. You're doing a fine job. I appreciate you being here.

I want to thank all the other entertainers who have come tonight. It means so much to Laura and me, and I hope it means a lot to you, that they have taken time out of their busy schedules to entertain you and to kick off this Inauguration.

I really thank you all for coming. Many of you have traveled a long way. What you're doing is you're taking a part in a great tradition of hope and renewal in our Nation's Capital, and we are really glad you are here.

An Inauguration is a time of unity for our country. With the campaign behind us, Americans lift up our sights to the years ahead and to the great goals we will achieve for our country. I am eager and ready for the work ahead, and I know that this office carries a duty to the entire Nation. After all, we are one America, and every day that I am your President, I will serve all Americans.

In these 4 years, we have moved forward as a people. We have faced challenges. We have faced them together. And we've taken up serious tasks at home as well as abroad. We have grown in appreciation for our freedom, and we have grown in appreciation for the men and women who defend it.

At this very hour, more than a million of our fellow citizens are standing watch for America. We are grateful to them all, and we are grateful to their families. We pray for our troops; we pray for their families. And on this night, as we celebrate the blessing of liberty, America honors the spirit of service that keeps our Nation strong and free.

Tomorrow I will take an oath and deliver an Inaugural Address. You'll be pleased to hear I'm not going to deliver it twice. But I will speak about freedom. This is the cause that unites our country and gives hope to the world and will lead us to a

future of peace. We have a calling from beyond the stars to stand for freedom, and America will always be faithful to that cause.

Thank you for coming. May God bless you, and may God continue to bless our great Nation. Thank you all.

NOTE: The President spoke at 5:57 p.m. on the Ellipse. In his remarks, he referred to radio and television personality Ryan Seacrest.

Inaugural Address
January 20, 2005

Vice President Cheney, Mr. Chief Justice, President Carter, President Bush, President Clinton, Members of the United States Congress, reverend clergy, distinguished guests, fellow citizens:

On this day, prescribed by law and marked by ceremony, we celebrate the durable wisdom of our Constitution and recall the deep commitments that unite our country. I am grateful for the honor of this hour, mindful of the consequential times in which we live, and determined to fulfill the oath that I have sworn and you have witnessed.

At this second gathering, our duties are defined not by the words I use but by the history we have seen together. For a half a century, America defended our own freedom by standing watch on distant borders. After the shipwreck of communism came years of relative quiet, years of repose, years of sabbatical, and then there came a day of fire.

We have seen our vulnerability, and we have seen its deepest source. For as long as whole regions of the world simmer in resentment and tyranny, prone to ideologies that feed hatred and excuse murder, violence will gather and multiply in destructive power and cross the most defended borders and raise a mortal threat. There is only one force of history that can break the reign of hatred and resentment and expose the pretensions of tyrants and reward the hopes of the decent and tolerant, and that is the force of human freedom.

We are led, by events and common sense, to one conclusion: The survival of liberty in our land increasingly depends on the success of liberty in other lands. The best hope for peace in our world is the expansion of freedom in all the world.

America's vital interests and our deepest beliefs are now one. From the day of our founding, we have proclaimed that every man and woman on this Earth has rights and dignity and matchless value, because they bear the image of the Maker of heaven and Earth. Across the generations, we have proclaimed the imperative of self-government, because no one is fit to be a master and no one deserves to be a slave. Advancing these ideals is the mission that created our Nation. It is the honorable achievement of our fathers. Now, it is the urgent requirement of our Nation's security and the calling of our time.

So it is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world. This is not primarily the task of arms, though we will defend ourselves and our friends by force of arms when necessary. Freedom, by its nature, must be chosen and defended by citizens and sustained by the rule of law and the protection of minorities. And when

the soul of a nation finally speaks, the institutions that arise may reflect customs and traditions very different from our own. America will not impose our own style of government on the unwilling. Our goal instead is to help others find their own voice, attain their own freedom, and make their own way.

The great objective of ending tyranny is the concentrated work of generations. The difficulty of the task is no excuse for avoiding it. America's influence is not unlimited, but fortunately for the oppressed, America's influence is considerable and we will use it confidently in freedom's cause.

My most solemn duty is to protect this Nation and its people from further attacks and emerging threats. Some have unwisely chosen to test America's resolve and have found it firm. We will persistently clarify the choice before every ruler and every nation, the moral choice between oppression, which is always wrong, and freedom, which is eternally right.

America will not pretend that jailed dissidents prefer their chains or that women welcome humiliation and servitude or that any human being aspires to live at the mercy of bullies. We will encourage reform in other governments by making clear that success in our relations will require the decent treatment of their own people. America's belief in human dignity will guide our policies. Yet rights must be more than the grudging concessions of dictators. They are secured by free dissent and the participation of the governed. In the long run, there is no justice without freedom and there can be no human rights without human liberty.

Some, I know, have questioned the global appeal of liberty, though this time in history, four decades defined by the swiftest advance of freedom ever seen, is an odd time for doubt. Americans, of all people, should never be surprised by the power of our ideals. Eventually, the call of freedom comes to every mind and every soul. We do not accept the existence of permanent tyranny because we do not accept the possibility of permanent slavery. Liberty will come to those who love it.

Today, America speaks anew to the peoples of the world. All who live in tyranny and hopelessness can know: The United States will not ignore your oppression or excuse your oppressors. When you stand for your liberty, we will stand with you.

Democratic reformers facing repression, prison, or exile can know: America sees you for who you are, the future leaders of your free country.

The rulers of outlaw regimes can know that we still believe as Abraham Lincoln did: "Those who deny freedom to others deserve it not for themselves and, under the rule of a just God, cannot long retain it."

The leaders of governments with long habits of control need to know: To serve your people, you must learn to trust them. Start on this journey of progress and justice, and America will walk at your side.

And all the allies of the United States can know: We honor your friendship; we rely on your counsel; and we depend on your help. Division among free nations is a primary goal of freedom's enemies. The concerted effort of free nations to promote democracy is a prelude to our enemies' defeat.

Today I also speak anew to my fellow citizens. From all of you I have asked patience in the hard task of securing America, which you have granted in good measure. Our country has accepted obligations that are difficult to fulfill and would be dishonorable to abandon. Yet because we have acted in the great liberating tradition of this Nation, tens of millions have achieved their freedom. And as hope kindles hope, millions more will find it. By our efforts, we have lit a fire as well, a fire in the minds of men. It warms those who feel its power. It burns those who fight its progress. And one day this untamed fire of freedom will reach the darkest corners of our world.

A few Americans have accepted the hardest duties in this cause, in the quiet work of intelligence and diplomacy, the idealistic work of helping raise up free governments, the dangerous and necessary work of fighting our enemies. Some have shown their devotion to our country in deaths that honored their whole lives, and we will always honor their names and their sacrifice.

All Americans have witnessed this idealism and some for the first time. I ask our youngest citizens to believe the evidence of your eyes. You have seen duty and allegiance in the determined faces of our soldiers. You have seen that life is fragile and evil is real and courage triumphs. Make the choice to serve in a cause larger than your wants, larger than yourself, and in your days you will add not just to the wealth of our country but to its character.

America has need of idealism and courage because we have essential work at home, the unfinished work of American freedom. In a world moving toward liberty, we are determined to show the meaning and promise of liberty.

In America's ideal of freedom, citizens find the dignity and security of economic independence instead of laboring on the edge of subsistence. This is the broader definition of liberty that motivated the Homestead Act, the Social Security Act, and the GI bill of rights. And now we will extend this vision by reforming great institutions to serve the needs of our time. To give every American a stake in the promise and future of our country, we will bring the highest standards to our schools and build an ownership society. We will widen the ownership of homes and businesses, retirement savings, and health insurance, preparing our people for the challenges of life in a free society. By making every citizen an agent of his or her own destiny, we will give our fellow Americans greater freedom from want and fear and make our society more prosperous and just and equal.

In America's ideal of freedom, the public interest depends on private character, on integrity and tolerance toward others and the rule of conscience in our own lives. Self-government relies, in the end, on the governing of the self. That edifice of character is built in families, supported by communities with standards, and sustained in our national life by the truths of Sinai, the Sermon on the Mount, the words of the Koran, and the varied faiths of our people. Americans move forward in every generation by reaffirming all that is good and true that came before, ideals of justice and conduct that are the same yesterday, today, and forever.

In America's ideal of freedom, the exercise of rights is ennobled by service and mercy and a heart for the weak. Liberty for all does not mean independence from one another. Our Nation relies on men and women who look after a neighbor and surround the lost with love. Americans, at our best, value the life we see in one another and must always remember that even the unwanted have worth. And our country must abandon all the habits of racism, because we cannot carry the message of freedom and the baggage of bigotry at the same time.

From the perspective of a single day, including this day of dedication, the issues and questions before our country are many. From the viewpoint of centuries, the questions that come to us are narrowed and few: Did our generation advance the cause of freedom? And did our character bring credit to that cause?

These questions that judge us also unite us, because Americans of every party and background, Americans by choice and by birth are bound to one another in the cause of freedom. We have known divisions, which must be healed to move forward in great purposes, and I will strive in good faith to heal them. Yet those divisions do not define America. We felt the unity and fellowship of our Nation when freedom came under attack, and our response came

like a single hand over a single heart. And we can feel that same unity and pride whenever America acts for good and the victims of disaster are given hope and the unjust encounter justice and the captives are set free.

We go forward with complete confidence in the eventual triumph of freedom, not because history runs on the wheels of inevitability—it is human choices that move events; not because we consider ourselves a chosen nation—God moves and chooses as He wills. We have confidence because freedom is the permanent hope of mankind, the hunger in dark places, the longing of the soul. When our Founders declared a new order of the ages, when soldiers died in wave upon wave for a union based on liberty, when citizens marched in peaceful outrage under the banner "Freedom Now," they were acting on an ancient hope that is meant to be fulfilled. History has an ebb and flow of justice, but history also has a visible direction, set by liberty and the Author of Liberty.

When the Declaration of Independence was first read in public and the Liberty Bell was sounded in celebration, a witness said, "It rang as if it meant something." In our time, it means something still. America, in this young century, proclaims liberty throughout all the world and to all the inhabitants thereof. Renewed in our strength, tested but not weary, we are ready for the greatest achievements in the history of freedom.

May God bless you, and may He watch over the United States of America.

NOTE: The President spoke at 11:59 a.m. at the West Front of the Capitol. Prior to his remarks, Chief Justice William H. Rehnquist administered the oath of office. The address was broadcast live on radio and television. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks at the Inaugural Luncheon
January 20, 2005

Mr. Speaker, thank you, sir. Senator Trent Lott, thanks for being such a great organizer. This part of this day has gone incredibly well, and I appreciate your hard work. Senator Dodd, Senator Frist, other distinguished Members of the Congress, and some who aren't quite so distinguished—[*laughter*]—it's an honor to be here.

I really want to thank you for your hospitality. Laura and I are grateful for your gifts and grateful for your wonderful hospitality. What a day, and what a special lunch. We really appreciate you having us.

I appreciate the Justices of the Supreme Court being here. I want you to know how touched I was that Chief Justice came to administer the oath. That was an incredibly moving part of the ceremony.

I want to thank the members of my Cabinet who are here. I appreciate General Myers, who is here. And I want to thank all my friends from Texas who have come. I'm surprised that some were able to penetrate the security. [*Laughter*] But I appreciate you coming.

I'm really proud of Dick Cheney, my Vice President. He is a fabulous man, a man of sound judgment and great character, and I'm honored to serve with you, Dick.

I want to thank President Carter and Mrs. Carter for coming and President Clinton and Senator Clinton for joining us today. It means a lot that both former

Presidents were here. I thank you very much for the—for your presence.

I'm also really happy that another former President is with us; that would be my dad. Thanks for coming—and Mother. [*Laughter*] I appreciate Barbara and Jenna. I love them dearly. I thank them for joining the campaign trail. It was the—like the camping trip I promised to take them on and never did. [*Laughter*]

I want to thank my brothers and sisters. They have meant a lot to me. Their unconditional love is an important part of keeping perspective here in the Nation's Capital.

I am impressed by this Inaugural ceremony. It is a magnificent event. I think any President who has ever been through one is able to step back and say, "What an impressive moment, not in my life but in the life of the country." It reminds us that we serve a cause larger than ourself. We have one country, one Constitution, and one future that binds us.

As leaders, we have a common duty to achieve results for the people, regardless of our political parties. There's important work to be done, and I look forward to working with Members of both Houses and both parties to achieve that job.

We have a solemn duty to protect our people and to win the war on terror, and we will. We have other vital duties, and we will strive to achieve results on behalf of the people. I'm eager for the work. I'm looking forward to it, and I hope you are as well. I'm looking forward to putting my heart and soul into this job for 4 more years. Together, we can make this great Nation of ours a safer place and a freer place and a better place for all our fellow citizens.

May God bless you all, and may God continue to bless our great land.

NOTE: The President spoke at 2:19 p.m. in Statuary Hall at the Capitol. In his remarks, he referred to Gen. Richard B. Myers, USAF, Chairman, Joint Chiefs of Staff. Prior to the President's remarks, Senator Trent Lott, chairman, Joint Congressional Committee on Inaugural Ceremonies, introduced the President and presented him and Vice President Dick Cheney with engraved crystal hurricane lamps and official photos of the Inaugural swearing-in ceremony, and Representative J. Dennis Hastert, committee member, presented them with flags flown over the U.S. Capitol.

Message on the Observance of Eid al-Adha
January 21, 2005

I send greetings to Muslims around the world as you celebrate Eid al-Adha.

Abraham's sacrifice and service to God teach us the importance of devotion, and God's mercy encourages us to share His blessings with others. The kindness and charity practiced by Muslims during this holiday strengthen friendships, help those in need, and exemplify the compassionate spirit that makes America and the world a better place.

As Americans of Muslim faith celebrate Eid al-Adha, our Nation is reminded of the contributions that Muslim Americans have made to our religious and cultural heritage. Your values of family, service, and community enrich our society and reflect the ideals on which our country was founded.

Laura joins me in sending our best wishes for a joyous celebration.

GEORGE W. BUSH

NOTE: An original was not available for verification of the content of this message.

The President's Radio Address
January 22, 2005

Good morning. My fellow Americans, earlier this week I had the honor of taking, for the second time, the oath of office as your President. The Inaugural ceremony is simple, yet its meaning is profound. Every 4 years, the American people hold an Inauguration to reaffirm our faith in liberty and to celebrate the democratic institutions that preserve it. To place one's hand on the Bible and swear the oath is a humbling experience and a reminder of the high trust and great responsibility that the Presidency brings. With deep appreciation for your support and mindful of the challenges and opportunities that lie ahead, I'm eager to begin the work of a new term.

In the years since I first swore to preserve, protect, and defend our Constitution, our Nation has been tested. Our enemies have found America more than equal to the task. In response to attacks on our home soil, we have captured or killed terrorists across the Earth. We have taken unprecedented steps to secure our homeland from future attacks, and our troops have liberated millions from oppression.

At home, thanks to progrowth policies and the hard work of the American people, we overcame a recession and created over 2 million new jobs in the past year alone. Now we move forward. We remain in a war the United States will continue to lead, fighting terrorists abroad so we do not have to face them here at home. We will strive to keep the world's most dangerous weapons out of the hands of terrorists and tyrants. And our Nation will stand by the peoples of Afghanistan and Iraq as they build free and democratic societies in their own lands because when America gives its word, America must keep its word.

As I stated in my Inaugural Address, our security at home increasingly depends on the success of liberty abroad. So we will continue to promote freedom, hope, and democracy in the broader Middle East and, by doing so, defeat the despair, hopelessness, and resentments that feed terror.

At home too we will expand freedom. We will continue to bring high standards and accountability to our public schools so that every child can learn. We will transform our retirement and health systems, reform the legal system, and simplify the Tax Code so that all Americans enjoy the dignity and independence that comes from ownership. In this ownership society, every citizen will have a real stake in the promise of America, and our most valued institutions will be better prepared to meet the new challenges of a new time.

This week, Washington has been marked by pomp and circumstance. In a free nation, these ceremonies are more than pageantry. They underscore that public office is a public trust. America's elected leaders derive their authority from the consent of the American people, whom we serve. This is a high privilege, and that privilege carries a serious responsibility, to confront problems now instead of passing them on to future generations.

As long as I hold this office, I promise that I will serve all Americans and will work to promote the unity of our great Nation. And working together, we will secure the blessings of liberty, not only for ourselves but for generations of Americans to come.

Thank you for listening.

NOTE: The address was recorded at 8:30 a.m. on January 21 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on January 22. The transcript was made available by the Office of the Press Secretary on January 21 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Statement on the Death of Johnny Carson
January 23, 2005

Laura and I are saddened by the death of Johnny Carson. Born in Iowa and raised in Nebraska, Johnny Carson was a steady and reassuring presence in homes across America for three decades. His wit and insight made Americans laugh and think and had a profound influence on American life and entertainment. He was a patriot who served in the United States Navy during World War II and always remembered his roots in the heartland of America. We send our prayers and condolences to the entire Carson family.

Telephone Remarks to the March for Life
January 24, 2005

Nellie, thank you. Thanks a lot for inviting me to speak. I know it's chilly there in Washington, but weather hasn't stopped thousands of participants from marching for life for the past 32 years, and it did not this year, either. And so I'm honored to be a part of this tremendous witness that is taking place in our Nation's Capital, and it's good to hear your voice again.

You know, we come from many backgrounds—different backgrounds, but what unites us is our understanding that the essence of civilization is this: The strong have a duty to protect the weak.

I appreciate so very much your work toward building a culture of life, a culture that will protect the most innocent among us and the voiceless. We are working to promote a culture of life, to promote compassion for women and their unborn babies. We know that in a culture that does not protect the most dependent, the handicapped, the elderly, the unloved, or simply inconvenient become increasingly vulnerable.

The America of our dreams, where every child is welcomed in law—in life and protected in law may still be some ways away, but even from the far side of the river, Nellie, we can see its glimmerings. We're making progress in Washington. I've been working with Members of the Congress to pass good, solid legislation that protects the vulnerable and promotes the culture of life. I've signed into law a ban on partial-birth abortion. Infants who are born despite an attempted abortion are now protected by law. So are nurses and doctors who refused to be any part of an abortion. And prosecutors can now charge those who harm or kill a pregnant woman with harming or killing her unborn child.

We're also moving ahead in terms of medicine and research to make sure that the gifts of science are consistent with our highest values of freedom, equality, family, and human dignity. We will not sanction the creation of life only to destroy it.

What I'm saying now is we're making progress, and this progress is a tribute to your perseverance and to the prayers of the people. I want to thank you especially for the civil way that you have engaged one of America's most contentious issues. I encourage you to take heart from our achievements, because a true culture of life cannot be sustained solely by changing laws. We need, most of all, to change hearts. And that is what we're doing, seeking common ground where possible and persuading increasing numbers of our fellow citizens of the rightness of our cause.

This is the path to the culture of life that we seek for our country. And on its coldest days and one of our coldest days, I encourage you to take warmth and comfort from our history, which tells us that a movement that appeals to the noblest and most generous instincts of our fellow Americans and that is based on a sacred promise enshrined in our founding document, that this movement will not fail.

And so on this day of compassion, where warm hearts are confronting the cold weather, I ask that God bless you for your dedication, and may God continue to bless our great country. And thank you for letting me share this moment with you, Nellie.

NOTE: The President spoke at 12:11 p.m. from Camp David, MD, to march participants at the Ellipse in Washington, DC. In his remarks, he referred to Nellie J. Gray, president, March for Life Education and Defense Fund.

Statement on the Supplemental Budget Request
January 25, 2005

When we decided to protect America from a gathering threat by removing Saddam Hussein from power, I made two fundamental pledges: First, our troops will have whatever they need to protect themselves and complete their mission; and second, the United States will stand with the Iraqi people and against the terrorists trying desperately to block democracy and the advance of human rights.

This supplemental budget request will fulfill these important pledges and again makes clear to terrorists that our resolve is firm and we will complete our mission.

Most of these funds will support American troops on the ground by continuing to provide them with the equipment and other supplies they need. The request also provides for the continued pursuit of Al Qaida and other terrorist elements in Afghanistan and elsewhere, while supporting the great progress Afghanistan has made toward joining the community of free nations. And resources are included to accelerate efforts to train and equip Iraqi and Afghan forces so they can assume greater responsibility for their own security.

The supplemental also includes funding for other important priorities of American foreign policy, such as helping the Palestinian people build a democratic state, improving the economic and humanitarian situation of the Palestinian people, and bridging differences between Israelis and Palestinians.

I am grateful that Congress, in a strong bipartisan fashion, has consistently voted to support our troops, and I urge it to do so again.

NOTE: The Office of the Press Secretary also released a Spanish language version of this statement.

The President's News Conference
January 26, 2005

The President. Good morning. With the second term underway and a new Congress at work, we're moving forward on great goals for our country. In my Inaugural Ad-

dress I renewed this Nation's commitment to expanding liberty at home and promoting liberty abroad.

Because our own freedom is enhanced by the expansion of freedom in other nations, I set out the long-term goal of ending tyranny in our world. This will require the commitment of generations, but we're seeing much progress in our own time. In late 2004, the people of Afghanistan defied the threats of terrorists and went to the polls to choose their leaders. The Palestinian people have elected a President who has renounced violence. This week, Ukraine inaugurated a new President, President Yushchenko. And just 4 days from now, the people of Iraq will vote in free national elections.

Terrorists in that country have declared war against democracy, itself, and thereby declared war against the Iraqi people, themselves. Yet the elections will go forward. Millions of Iraqi voters will show their bravery, their love of country, and their desire to live in freedom. Across the world, freedom has deadly enemies, yet across the world, freedom has great and growing momentum.

There has been enormous sacrifices made by some of our citizens in the spread of freedom. Families suffer as the result of the loss of a loved one. We continue to offer our condolences and prayers for those who do suffer. We'll honor the memories of their loved ones by completing our missions.

Next week, I will report to Congress on the State of the Union and describe in more detail a legislative agenda to serve the goals I have outlined. I will ask the House and Senate to act soon on the issue of Social Security, so that we don't pass a bankrupt system on to our children and our grandchildren. I'm open to good ideas from Members of Congress. I'll work with both parties to get results. Any solution must confront the problem fully and directly by making the system permanently solvent and providing the option of personal accounts.

For this new term, I've assembled an exceptional Cabinet, and several members are taking office this week. In addition to speedy action on all my nominees, I especially urge the Senate to confirm Condoleezza Rice today and to promptly act and confirm Judge Al Gonzales.

We have a full agenda. I'm looking forward to the work ahead. And now I'm looking forward to answering some of your questions. Terry [Terence Hunt, Associated Press].

Upcoming Iraqi Elections

Q. Mr. President, the insurgents in Iraq are threatening to kill anyone who comes out to vote on Sunday. Do you think they'll succeed in killing or scaring away enough people so that the elections will be rendered seriously flawed or not credible?

The President. We anticipate a lot of Iraqis will vote. Clearly, there are some who are intimidated. Surveys show that the vast majority of people do want to participate in democracy, and some are feeling intimidated. I urge all people to vote. I urge people to defy these terrorists. These terrorists are—do not have the best interests of the Iraqi people in mind. They have no positive agenda. They have no clear view of a better future. They're afraid of a free society.

I am impressed by the bravery of the Iraqi citizens. I am heartened by the strong words of Prime Minister Allawi. I talked to him yesterday on the phone. He is determined to lead his country forward into the elections. I appreciate the hard work of the United Nations, which is providing good leadership on the ground. And I anticipate a grand moment in Iraqi history. If we'd been having this discussion a couple of years ago and I'd have stood up in front of you and said the Iraqi people would be voting, you would look at me like some of you still look at me, with a kind of blank expression. People are voting, and

this is a part of a process, to write a constitution and then elect a permanent assembly. And it's exciting times for the Iraqi people.

Steve [Steve Holland, Reuters].

Q. Can I ask a followup, sir? What would be a credible turnout number?

The President. The fact that they're voting, in itself, is successful. Again, this is a long process. It is a process that will begin to write a constitution and then elect a permanent assembly. And this process will take place over this next year. It is a grand moment for those who believe in freedom.

Foreign Policy Goals in Inaugural Address

Q. Sir, your Inaugural Address has been interpreted as a new, aggressive posture against certain countries, in particular Iran. Should we view it that way?

The President. My Inaugural Address reflected the policies of the past 4 years that said—that we're implementing in Afghanistan and Iraq, and it talked about a way forward. I think America is at its best when it leads toward an ideal, and certainly, a world without tyranny is an ideal world. The spread of freedom is important for future generations of Americans. I firmly believe that free societies are peaceful societies, and I believe every person desires to be free. And so I look forward to leading the world in that direction for the next 4 years.

Q. Do you see it as a policy shift?

The President. No, as I said, it reflects the policy of the past, but it sets a bold new goal for the future. And I believe this country is best when it heads toward an ideal world. We are at our best. And in doing so, we're reflecting universal values and universal ideas that honor each man and woman, that recognize human rights and human dignity depends upon human liberty. And it's—I'm looking forward to the challenge, and I'm looking forward to reaching out to our friends and allies to convince them of the necessity to continue to work together to help liberate people.

Yes, Terry [Terry Moran, ABC News].

Arrest in Jordan/Human Rights

Q. Mr. President, let me take you up on that, if I may. Last month in Jordan, a gentleman named Ali Hattar was arrested after delivering a lecture called "Why We Boycott America." He was charged under section 191 of their penal code for slander of Government officials. He stood up for democracy, you might say. And I wonder if here and now, you will specifically condemn this abuse of human rights by a key American ally. And if you won't, sir, then what, in a practical sense, do your fine words mean?

The President. I am unaware of the case. You've asked me to comment on something that I didn't know took place. I urge my friend His Majesty to make sure that democracy continues to advance in Jordan. I noticed today that he put forth a reform that will help more people participate in future governments of Jordan. I appreciate His Majesty's understanding of the need for democracy to advance in the greater Middle East. We visited with him at the G–8, and he has been a strong advocate of the advance of freedom and democracy.

Now—let me finish. Obviously, we're discussing a process. As I said in my speech, not every nation is going to immediately adopt America's vision of democracy, and I fully understand that. But we expect nations to adopt the values inherent in a democracy, which is human rights and human dignity, that every person matters and every person ought to have a voice. And His Majesty is making progress toward that goal.

I can't speak specifically to the case. You're asking me to speak about a case that I don't know the facts.

Q. Fair enough. If I could just follow up. Will you then—does your Inaugural Address mean that when it comes to people

like Mr. Hattar, you won't compromise because of a U.S. ally, and you will stand——

The President. Again, I don't know the facts, Terry. You're asking me to comment on something; I do not know the facts. Perhaps you're accurate in your description of the facts, but I have not seen those facts. Now, nevertheless, we have spoken out in the past and we'll continue to speak out for human rights and human dignity and the right for people to express themselves in the public square.

Secretary of State-designate Rice

Q. Mr. President, in the debate over Dr. Rice's confirmation, Democrats came right out and accused you and the administration of lying in the runup to the war in Iraq. Republicans, in some cases, conceded that mistakes have been made. Now that the election is over, are you willing to concede that any mistakes were made? And how do you feel about——

The President. Let me talk about Dr. Rice—you asked about her confirmation. Dr. Rice is an honorable, fine public servant who needs to be confirmed. She will be a great Secretary of State. And Dr. Rice and I look forward to moving forward. We look forward to working to make sure the Iraqis have got a democracy. We look forward to continuing to make sure Afghanistan is as secure as possible from potential Taliban resurgence. We look forward to spreading freedom around the world. And she is going to make a wonderful Secretary of State.

Q. No reaction to the lying? No reaction? [*Laughter*]

The President. Is that your question? The answer is no.

Next.

U.S. Super Stallion Helicopter Crash in Iraq

Q. I'd like to ask you—sir, I'd like to ask you about the deficit. But before I do that, there is a developing story this morning—the helicopter crash in Iraq. Can you tell us what you know about that, what may have caused it, and your reaction to it?

The President. I know that it's being investigated by the Defense Department. And obviously, any time we lose life, it is a sad moment.

Q. Don't know whether it was weather-related or not——

The President. Not yet. I've heard rumors, but I'll wait 'til the facts.

Taxes/Federal Deficit

Q. You're preparing to ask Congress for an additional $80 billion in war spending in Afghanistan and Iraq. The White House is also prepared to predict a budget deficit of $427 billion for this year. You talk about sacrifice in this country. Do you think that you're really asking Americans to sacrifice financially when you're asking them to fund the war, yet at the same time, perhaps pay an exorbitant amount to set up private accounts in Social Security, pay for a prescription drug benefit, as well as other spending plans?

The President. So the——

Q. And tax cuts, to make those permanent? It's a lot of money.

The President. Okay, let me see if I can dissect your question into separate parts. First, Americans pay a lot of taxes. They pay tax at the Federal level. They pay tax at the State level. They pay tax at the local level. Americans do pay taxes.

Secondly, I made the commitment to our troops, we'll fund them. And that's exactly what we're doing. We've got people in harm's way; I look forward to working with Congress to fund what is necessary to help those troops complete their mission.

Thirdly, we have presented a plan in the past, and we'll present one here next—earlier—later on this—in February that will show we will cut the deficit in half. And it's obviously going to require cooperation with the United States Congress to make some very difficult decisions when it comes to funding the budgets.

Fourthly, we not only were attacked and needed—therefore, needed to defend ourselves, we also had a recession. And I felt it was very important to reduce the tax burden on the American people to get out of the recession. In other words, we were dealing with twin problems. And because of the tax relief, our economy is growing forward.

Last year at this time, the projected budget was $527 billion. You might remember that. It turned out that the budget was 412 billion for last year. Now the budget is projected to be at 427 billion. We look forward to working to hold the line with the United States Congress on spending. And as I say, I'll promote a package that will show the budget being cut in half over the next 5 years.

John [John King, Cable News Network].

Progress in Iraq

Q. Mr. President, I want to try another way to ask you about Iraq. When you made the decision to go to war in Iraq, you clearly had majority support in the country. A string of recent polls have shown a clear majority of the American people now believe it was a mistake to go to war in Iraq. You've asked for $80 billion in more money on top of the billions already spent. The Army says that we'll probably have 100,000 or more troops in Iraq for at least another year. What would you say to the American people, including a significant number who supported you at the beginning of the war, who now say this is not what we were led to believe would happen?

The President. A couple of things, John. I'd say the world is better off without Saddam Hussein in power. A world with Saddam Hussein in power would have been a more dangerous world today. Secondly, that we're making progress in helping Iraq develop a democracy. And in the long term, our children and grandchildren will benefit from a free Iraq.

In terms of troop levels, obviously we'll have the troop levels necessary to complete the mission. And that mission is to enable Iraq to defend herself from terrorists, homegrown or terrorists that come in from outside of the country. And so our mission is focused on not only an increase in the number of Iraqis in uniform, whether it be Army or National Guard or border patrol or police, but to make sure the quality of their ability to fight is enhanced. And so, over the next year we'll be advancing our plan to make sure the Iraqis are better prepared to defend themselves and to fight. There's been some really fine units that have been stood up so far, and obviously we want to make sure there are more units that are capable of fighting.

Listen, this problem will eventually be solved when the Iraqis take the initiative and the Iraqi people see Iraqi soldiers willing to defend them. And so—and the American people, when they see the Iraqis step up and begin to fight, will see progress being made toward an objective which will make this world a better place.

I don't want to rehash something that I'm sure you got tired of hearing me talk about on the campaign trail, but it is—the decisions we make today can affect how people live 30, 40, or 50 years from now. And I bring up, once again, my example about working with Prime Minister Koizumi of Japan. And it wasn't all that long ago that Japan was a bitter enemy. And today, because Japan is a democracy and a free country, the Japanese are strong allies with the United States of America, and we're better off for it.

And listen, the story today is going to be very discouraging to the American people. I understand that. We value life. And we weep and mourn when soldiers lose their life. And—but it is the long-term objective that is vital, and that is to spread freedom. Otherwise, the Middle East will be—will continue to be a caldron of resentment and hate, a recruiting ground for those who have this vision of the world that is the exact opposite of ours.

Carl [Carl Cameron, FOX News], welcome to the beat. Is everybody thrilled Carl is here?

Q. Yes. [*Laughter*]

Q. Thanks very much.

The President. Please express a little more enthusiasm for him. [*Laughter*]

Social Security Reform

Q. A question on Social Security, if we may, sir. There has been, as you work forward to making final—your ultimate proposal, growing concern among Republicans on Capitol Hill. We had Chairman Thomas last week with some concern about the process, and Senator Olympia Snowe on the other side suggesting that she's concerned about an absentee—guaranteed benefit, excuse me. Are you prepared today to say that those who opt into a potential private account—personal account could in fact have a guaranteed benefit as well? And what do you say to Republicans who are beginning to worry?

The President. I am looking forward to working with both Republicans and Democrats to advance a plan that will permanently solve Social Security.

There is—I met yesterday with Members of the United States Senate. I'm meeting today with Members of the House of Representatives to discuss the need to work together to get a solution that will fix the problem. And here's the problem: The—as dictated by just math, there is—the system will be in the red in 13 years, and in 2042 the system will be broke. That's because people are living longer and the number of people paying into the Social Security trust is dwindling. And so therefore, if you have a child—how old is your child, Carl?

Q. Fourteen years old.

The President. Yes, 14. Well, if she were——

Q. He, sir.

The President. He, excuse me. [*Laughter*] I should have done the background check. [*Laughter*] She will—when she gets ready to—when she's 50, the system will be broke, if my math is correct. In other words, if you have a child who is 25 years old, when that person gets near retirement, the system will be bankrupt. And therefore, it seems like to me—and if we wait, the longer we wait, the more expensive the solution. So therefore, now is the time to act.

And Social Security has been an issue that has made people nervous. I understand that. I mean, it's—people felt like it was the third rail of American politics. That means if you touch it, you will have—it will be political death. I have said to the American people that our job is to confront issues and not pass them on. And we have a serious issue with Social Security. The math shows that we have an issue, and now is the time to come together to solve it. And so—what you're hearing a little bit is whether or not it is worth the political price. I think it is. And I'm looking forward to leading the Congress, and I'm looking forward to taking the case to the American people.

I will begin—"begin"—I will continue that process with the State of the Union Address. And then I look forward to taking off shortly thereafter and traveling around the country discussing this issue, similar to what President Clinton did. President Clinton highlighted the issue as an issue that needed to be addressed and an issue that needed to be solved. He fully recognized, like I recognize, that it's going to require cooperation in the House and the Senate. And in anticipation of this moment, obviously—you might remember we brought together a distinguished group of our citizens to analyze the issue, and they came forth with some very interesting ideas.

As well it is very important for us to reassure the seniors that nothing changes. I fully understand the power of those who want to derail a Social Security agenda by scaring people. It's been a tactic for a long period of time by those who believe the status quo is acceptable. And so one of

the things you'll hear me constantly doing is reminding our senior citizens that nothing will change and that we have a duty to act on behalf of their children and grandchildren.

David [David Sanger, New York Times], and then Baker [Peter Baker, Washington Post].

Foreign Policy Goals in Inaugural Address

Q. Mr. President, if I could return for a moment to your Inaugural Address. Dr. Rice referred in her testimony to "six outposts of tyranny," countries where we clearly, I think, have a pretty good idea of your policies. What we're confused by right now, I think, or at least what I'm confused by, is how you deal with those countries like Russia, China, Saudi Arabia, with whom we have enormous broad interests. Should the leaders of those countries now be on notice that the primary measure of their relationship with the United States should be their progress toward liberty? Or can they rest assured that, in fact, you've got this broad agenda with them and you're willing to measure liberty up against what China does for you on North Korea, what Russia does for you in other areas?

The President. I don't think foreign policy is an either/or proposition. I think it is possible, when you're a nation like the United States, to be able to achieve both objectives—one objective, the practical objective of dealing, for example, as you mentioned, with North Korea. But I—in my meetings with Chinese leadership in the past and my meetings with Chinese leadership in the future, I will constantly remind them of the benefits of a society that honors their people and respects human rights and human dignity. I have—for example, in meetings with the Chinese in the past, I have brought up the Dalai Lama. I've brought up concerns of the Catholic Church. I have discussed my belief that a society that welcomes religious freedom is a wholesome and—religious freedom is a part of a wholesome society and an important part of a society.

Vladimir Putin—I have discussed with Vladimir Putin some of his decisions. I will continue—as you might remember in our meeting in Chile. I will continue to do so. I will remind him that if he intends to continue to look West, we in the West believe in Western values.

I—democracy is a—progress—you'll see progress toward a goal. There won't be instant democracy. And I remind people that our own country is a work in progress. We declared all people equal, and yet all people weren't treated equally for a century. We said, "Everybody counts," but everybody didn't count.

And so I fully understand developing a democratic society in the—adhering to the traditions and customs of other nations will be a work in process. That's why I said we're talking about the work of generations. And so in my talks, in my discussions with world leaders to solve the problem of the day, I will constantly remind them about our strong belief that democracy is the way forward.

Yes, Peter.

Promoting Democracy

Q. Mr. President, Dr. Rice—again quoting your future Secretary of State—wrote in Foreign Affairs magazine in 2000, outlining what a potential Bush administration foreign policy would be, talked about things like security interests, free trade pacts, confronting rogue nations, dealing with great powers like China and Russia, but promotion of democracy and liberty around the world was not a signature element of that prescription. I'm wondering what's changed since 2000 that has made this such an important element of your foreign policy.

The President. I'm the President. I set the course of this administration. I believe freedom is necessary in order to promote peace, Peter. I haven't seen the article you're referring to. I can assure you that

Condi Rice agrees with me that it's necessary to promote democracy. I haven't seen the article. I didn't read the article. Obviously, it wasn't part of her job interview. [*Laughter*] Condi is a firm believer in democracy.

Yes, sir.

Social Security and Tax Reform

Q. Mr. President, Chairman Thomas and some others on the Hill have suggested taking up tax reform at the same time that you deal with Social Security reform and to consider alternatives, such as a value-added tax, to the current payroll tax for financing Social Security. Are you willing to consider combining those two big projects, or do you prefer to keep them on separate tracks?

The President. I look forward to working with the Congress to move the process forward. I appreciate people bringing forth ideas. I think it is a constructive part of the process. I'll have my own—I'll be a little more specific as time goes on and perhaps at the State of the Union, talking about how to—how I think we can have a real, long-term solution.

But I think it's constructive that Chairman Thomas, who will be charged with having a bill come out of the Ways and Means, is thinking creatively, is willing to figure out ways to bring people along. I am—and you'll find, as this process unfolds, that there will be a lot of different suggestions, some of them valid, some of them not valid. But the idea that people are bringing forth ideas is a really good sign.

The threshold question is, will Congress—is Congress willing to say we have a problem? We do have a problem. The math shows we have a problem. And now is the time to act on that problem. And once people realize there's a problem, then I believe there's an obligation for all sides to bring forth ideas. And that's what you're seeing with Chairman Thomas. And I appreciate that. I'm looking forward to my visit with him this afternoon.

Yes, sir.

Attorney General-designate Gonzales

Q. Mr. President, I'd like to ask you about the Gonzales nomination and specifically about an issue that came up during it, your views on torture. You've said repeatedly that you do not sanction it; you would never approve it. But there are some written responses that Judge Gonzales gave to his Senate testimony that have troubled some people, and specifically his allusion to the fact that cruel, inhumane, and degrading treatment of some prisoners is not specifically forbidden so long as it's conducted by the CIA and conducted overseas. Is that a loophole that you approve?

The President. Listen, Al Gonzales reflects our policy, and that is, we don't sanction torture. He will be a great Attorney General, and I call upon the Senate to confirm him.

Social Security Reform

Q. Mr. President, at the beginning of your remarks today you referred to two criteria that you're looking for on the Social Security fix, namely permanent solvency and personal accounts. Does that mean that you would be willing to consider some changes that might broaden the base of revenues for the system as a way of addressing solvency?

The President. I look forward to a fruitful discussion of all ideas, with the exception of raising the payroll tax.

Judy [Judy Keen, USA Today].

Director of National Intelligence

Q. Thank you, Mr. President. Sir, can you update us, please, on your search for a Director of National Intelligence? Are you having trouble finding the right person? And do you worry at all that the delay might suggest to some people that it's not a high priority for you?

The President. When the bill looked like it wasn't going to pass, we weighed in to get it passed, and we worked with members

of both parties to get a bill out of the Congress. It's clearly a high priority. It is a priority for us to make sure that I get the very best intelligence in order to make wise decisions for the American people. And a search goes on to find the right person to handle this very sensitive position.

We're dealing with a brand new agency that is going to require a—somebody with extraordinary experience. And we're looking. And no one should read anything other than, we want to make sure we make the right choice.

Yes, ma'am.

Social Security Reform

Q. Thank you, sir. Any—back on Social Security—any transition to personal accounts is estimated to cost between 1 to 2 trillion dollars over 10 years. Without talking about specific proposals, do you plan to borrow that money, or will you, when your plan comes out——

The President. You're asking me to talk about specific proposals. And I'm looking over——

Q. ——will you be able to pay for it, though?

The President. Over the—I fully understand some people are concerned about whether or not this is affordable. And at the appropriate time, we'll address that aspect of reform. But personal accounts are very important in order to make sure that young workers have got a shot at coming close to that which the Government promises. They're also important because a personal account, obviously under strict guidelines of investment, will yield a better rate of return over—than the money—the person's money is earning in the Social Security trust. And personal accounts will enable a worker to be able to pass on his or her ownings to whoever he or she chooses, which is an important part of promoting an ownership society. We want people to own and manage their own assets. After all, it is their own money.

And so it's a very important part, in my judgment, of reforming the system permanently. But there—I fully understand that accounts is not the only thing that will be necessary to make sure the system is permanently secure.

Ken [Ken Herman, Austin American-Statesman]. Welcome. Is this—let me ask you, are you here temporarily, permanently, and who do you represent?

Q. Well, that will be up to my wife, sir, as you well know.

The President. Yes, thank you.

Q. Mr. President, on Social Security, you say the math clearly shows—as you know, most of us became reporters because of our deep affection for math. If the math clearly shows it, why are you having so much trouble on the Hill getting some to share your urgency? Do you think they're looking at the numbers differently, honestly, or are they running from the third rail?

The President. Glad to have you here. [*Laughter*] I am going to continue to speak directly to the American people about this issue and remind them about the math and remind them that if you're a senior, nothing changes, and speak to the younger folks coming up about the forecasts. I mean, if you're a 20-year-old person and you look at the math, you realize that you will inherit a bankrupt system, which means either there will be significant benefit cuts or significant payroll tax increases in order to fund that which the Government has laid out for you as a part of your retirement. And the Congress tends to listen to the people. And so I will continue to speak to the people and, at the same time, reach out to members of both parties.

We have been through these kinds of questions before, in my early press conferences. I can remember—I can't remember exactly the questions, but I do remember the tone, about people saying, "How can you possibly get tax cuts through the Congress when so-and-so said that they shouldn't be done," or "Such-and-such said

this," or "This report said that," or "The American people didn't want this." And so I am heartened by past experiences to believe that it is possible to do big things in Washington, DC. And I look forward to working with Members of the Congress to achieve big, notable reform.

Yes, Ken, followup. This is a home-boy followup.

Q. I seem to remember a time in Texas on another problem, taxes, where you tried to get out in front and tell people, "It's not a crisis now; it's going to be a crisis down the line." You went down in flames on that one. Why——

The President. Actually, I—if I might. [*Laughter*] I don't think a billion dollar tax relief that permanently reduced property taxes on senior citizens was "flames," but since you weren't a senior citizen, perhaps that's your definition of "flames."

Q. I never got my billion——

The President. Yes. Because you're not a senior citizen yet—acting like one, however. Go ahead. [*Laughter*]

Q. What is there about Government that makes it hard——

The President. Faulty memory. [*Laughter*]

Q. ——to address things in advance, before it's a crisis?

The President. Do we have a crisis in Texas now on school property taxes?

Q. Yes, we do.

The President. Thank you.

Q. Are you going to put forward your own plan on Social Security, or not?

Q. Mr. President——

The President. Let's get some order here, please.

Q. Mr. President——

The President. April [April Ryan, American Urban Radio Networks]. *Abril*.

Iraq

Q. Thank you, Mr. President. First of all, I have two questions, one on Iraq. You say about the troop withdrawal——

The President. No, no, I said what?

Q. No, I'm going to the question—to the answer——

The President. I thought you said on troop withdrawal——

Q. I'm—yes, I'm talking about troop withdrawal. Don't mess me up, now. [*Laughter*]

You said in a response just now that it depends on the initiative of the Iraqis. Are you giving the Iraqis a timetable for what you're going to do with troop withdrawal and when?

The President. We will complete the mission as quickly as possible. And that mission of a secure and stable Iraq will be achieved when the Iraqis are fighting the former regime elements and people like Zarqawi. Therefore, the—it is important that we continue to press forward with proper training. Now, training means not just signing people up. Training means equipping and preparing them for tough fights as well as developing a chain of command. A good military requires a chain of command from top to bottom, so that orders and plans and strategies can be effected efficiently. And we have work to do there, and we will do the work.

Second question.

Race Relations/Civil Rights

Q. Second question, on race. You brought it up in the Inaugural Address, and yesterday and today you have black leaders here at the White House discussing issues of race. Yesterday you didn't discuss civil rights. But where are you in the second term as it relates to race in America?

The President. Civil rights is a good education. Civil rights is opportunity. Civil rights is homeownership. Civil rights is owning your own business. Civil rights is making sure all aspects of our society are open for everybody. And we discussed that yesterday. And I believe that what I said was important, that we've got to shed ourselves of bigotry if we expect to lead by example. And I'll do the very best I can as the President to make sure that the

promise—and I believe in the promise of America—is available for everybody.

Let's see. Hold on for a second—Mark [Mark Knoller, CBS Radio]. The person who doesn't yell will be called on.

Armstrong Williams/Independent Press

Q. Mr. President, do you think it's a proper use of Government funds to pay commentators to promote your policies?

The President. No.

Q. Are you going to order that——

The President. Therefore, I will not pay you to—[*laughter*].

Q. Fair enough. Are you ordering that there be an end to that practice?

The President. Yes, I am. I expect my Cabinet Secretaries to make sure that that practice doesn't go forward. There needs to be independence. And Mr. Armstrong Williams admitted he made a mistake. And we didn't know about this in the White House, and there needs to be a nice, independent relationship between the White House and the press, the administration and the press. So, no, we shouldn't be going for it.

Yes, sir.

Q. Well, Mr. Williams made a mistake——

The President. Who?

Q. Mr. Williams made a mistake; did the Department of Education make a mistake?

The President. Yes. They did.

Q. What will happen to the people that made this decision?

The President. We've got new leadership going to the Department of Education. But all our Cabinet Secretaries must realize that we will not be paying commentators to advance our agenda. Our agenda ought to be able to stand on its own two feet. I'm confident you'll be, over the course of the next 4 years, willing to give our different policies an objective look—won't you? Yes, I can see that.

Yes, sir.

National Economy/Legislative Agenda

Q. Thank you. Senate Democratic leaders have painted a very bleak picture of the U.S. economy. Harry Reid was talking about soup lines, and Hillary Clinton was talking about the economy being on the verge of collapse. Yet in the same breath, they say that Social Security is rock-solid and there's no crisis there. How are you going to work—you said you're going to reach out to these people—how are you going to work with people who seem to have divorced themselves from reality?

The President. Continue to speak to the American people. Right after my State of the Union, I think I'm going to four or five States to continue to address this issue. You know, I can remember President Clinton doing the same thing on Social Security. I thought he was very effective in teeing up the issue, of making the case. And I will do the same thing.

There is a—in terms of whether the economy is growing or not, there is a—the jobs are increasing; the forecast looks strong. Obviously, there are some things we need to do to make sure that America is a good place to continue to risk capital and invest. That's why I'm urging the Congress to pass legal reform. You might remember, one of the first issues that I addressed after election was legal reform, asbestos reform, class-action reform, medical liability reform. I believe if there is a—that we've got a chance to get some good, meaningful legislation out of the Congress early, which will send a good signal that we will address those issues that make—that stand in the way for further economic expansion. We need an energy bill, and I look forward to working with members of both parties to get a good energy bill out.

Obviously, people in the capital markets are going to be watching the issue of twin deficits—on the one hand, the spending deficit, the fiscal deficit. We'll address that in our budget that we're getting ready to submit to Congress. Obviously, we're going

to have to work closely together to send the signal that we're willing to tackle some tough issues. The budget I'll be submitting is one that says, "We'll spend money on projects that work, but we must make sure we're not wasting the taxpayers' money."

In terms of the trade deficit, it is important for us to make sure that in countries that are—that countries treat their currencies in market fashion. I've been working with China, in specific, on that issue. Secondly, that people knock down their barriers to our goods and services. Thirdly, that we continue to grow our economy at home by making—by some of the reforms I've just discussed.

But I think most people are optimistic about the economy next year. It's very important that we continue to put progrowth policies in place.

Iraq/Spread of Democracy

Q. Mr. President, Senator Ted Kennedy recently repeated his characterization of Iraq as a, quote, "quagmire" and has called it your Vietnam. And the questioning of Alberto Gonzales and Condi Rice in the Senate has been largely used by Democrats to criticize your entire Iraq program, especially what you're trying to do postwar. I wonder if you have any response to those criticisms? And what kind of an effect do you think these statements have on the morale of our troops and on the confidence of the Iraqi people that what you're trying to do over there is going to succeed?

The President. I think the Iraqi people are wondering whether or not this Nation has the will necessary to stand with them as a democracy evolves. The enemy would like nothing more than the United States to precipitously pull out and withdraw before the Iraqis are prepared to defend themselves. Their objective is to stop the advance of democracy. Freedom scares them. Zarqawi said something interesting the other day, that—he was talking about democracy and how terrible democracy is. We believe that people ought to be allowed to express themselves, and we believe that people ought to decide the fates of their governments.

And so I—the notion that somehow we're not making progress, I just don't subscribe to. I mean, we're having elections. And I think people need to put this moment in history in proper context. That context, of course, starts with whether or not the world would be better off with Saddam Hussein in power and whether or not America would be more secure. After all, I've always felt the Iraqi theater is a part of the war on terror.

And I am encouraged and I am heartened by the fact the Iraqi citizens are showing incredible bravery. They're losing a lot of people. Obviously, these targeted assassinations of innocent civilians is having an effect on Iraqi families. But they want to vote. They want to participate in democracy. They want to be able to express themselves. And to me, that is encouraging. There is a notion in some parts of the world that certain people can't self-govern, certain religions don't have the capacity of self-government. And that condemns people to tyranny, and I refuse to accept that point of view.

I am optimistic about the advance of freedom, and so should the American people. After all, look what's happened in a brief period of time: Afghanistan; the Palestinian elections, which I think are incredibly hopeful elections; as well as the Ukraine; and now Iraq. It is—we're witnessing amazing history. And the fundamental question is, can we advance that history? And that's what my Inauguration speech said. It said, "Yes, we can." I've firmly planted the flag of liberty, for all to see that the United States of America hears their concerns and believes in their aspirations. And I am excited by the challenge and am honored to be able to lead our Nation in the quest of this noble goal, which is freeing people in the name of peace.

Bennett [Bennett Roth, Houston Chronicle].

Immigration Reform

Q. Mr. President, the Senate Republicans recently listed their priorities, and immigration reform wasn't on it. Do you think this means it's dead for this year? And why are you having so much trouble with your own party on that?

The President. No, I appreciate that question. It will be one of my priorities. I believe it's necessary to reform the immigration system. I'm against amnesty. I've made that very clear. On the other hand, I do want to recognize a system where a willing worker and a willing employer are able to come together in a way that enables people to find work without jeopardizing a job that an American would otherwise want to do.

I also happen to believe immigration reform is necessary to help make it easier to protect our borders. The system right now spawns "coyotes" and smugglers and people willing to break the law to get people in our country. There is a vast network of kind of shadowy traffickers. And I believe by making a—by advancing a program that enables people to come into our country in a legal way to work for a period of time, for jobs that Americans won't do, will help make it easier for us to secure our borders. And so——

Q. Why the resistance in your party so much?

The President. Well, I think—I'm looking forward to discussing it with members of both parties. I believe it's a very important issue that we need to address. I've had a lot of experience with dealing with borders, as the Governor of Texas. I know there's a compassionate, humane way to deal with this issue. I want to remind people that family values do not stop at the Rio Grande River. People are coming to our country to do jobs that Americans won't do, to be able to feed their families. And I think there's a humane way to recognize that, at the same time protect our borders, and at the same way to make sure that we don't disadvantage those who have stood in line for years to become a legal citizen. And I'm looking forward to working with people of both parties on the issue.

David [David Jackson, Dallas Morning News].

Political Climate/Legislative Agenda

Q. Mr. President, we saw the Democrats yesterday devote 9 hours to Ms. Rice. We may see something similar with regard to Judge Gonzales. There's just simply a lot of anger on the Hill by Democrats at you, personally, and at your administration. And isn't this going to dog your efforts at whatever you do down the line, from the Supreme Court to immigration to whatever?

The President. You know, we're all here to serve the people. And as I say, I'm going to go out and explain why I think it's important for us to address big issues like Social Security reform and take my case to the people and let them hear the rationale about why even address big issues, much less the reason why I think, for example, in Social Security there is an issue. As I just laid out the math, it is clear that now is the time to act.

And I don't know about hostility and all that business. That's—I guess that's your job to gauge that. When I've talked with people, I feel like people are looking forward to working with us.

Q. Well, you had a Democratic Senator basically call your Secretary of State nominee a liar. That's pretty harsh language coming from——

The President. Well, there are 99 Senators other than that person. And I'm looking forward to working with as many Members as we can. Condi Rice is a fine, fine public servant, greatly admired here in America and greatly admired around the world. And she will make a great Secretary of State. And I'm looking forward to working with her.

Listen, thank you all very much for your time. I appreciate this. And I'm looking forward to working with you all as we have a productive 2005.

Thank you.

NOTE: The President's news conference began at 10 a.m. in the James S. Brady Press Briefing Room at the White House. In his remarks, he referred to President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; President Viktor Yushchenko of Ukraine; Prime Minister Ayad Allawi of the Iraqi Interim Government; King Abdullah II of Jordan; former President Saddam Hussein of Iraq; Prime Minister Junichiro Koizumi of Japan; President Vladimir Putin of Russia; senior Al Qaida associate Abu Musab Al Zarqawi; and Armstrong Williams, television and radio show host and columnist. The Office of the Press Secretary also released a Spanish language transcript of this news conference.

Remarks in a Discussion on Health Care in Bethesda, Maryland
January 26, 2005

The President. Thank you all for coming. Please be seated. Thanks for the warm welcome. Thanks for coming. I'm looking forward to having what I think you'll find to be a very interesting dialog about innovative ways to make sure that our health care system addresses the needs of our individual citizens.

This is an issue that requires a lot of dialog so people understand the problems and a lot of innovative thinking to make sure that the system works. My judgment is the system won't work if medical decisions are made by Government. I believe the best kind of decisionmaking occurs when consumers make decisions and the relationship between their doctors and the patients are—become the cornerstone of good health care policy.

And so we're going to have a dialog. I want to thank our fellow citizens for being here. We just had a little discussion about how to make sure this conversation goes without flaw. [*Laughter*] I'm confident it will.

First, I want to thank the Governor of the great State of Maryland for joining us today. As you know, at times I take a little—a brief weekend retreat in the great State of Maryland at a fine facility called Camp David. And the last time the Governor was there, was with Laura and me. He and the first lady were there, and it happened to be the day of the blizzard. So I've invited him back in the summer. [*Laughter*]

I want to thank my friend Elias Zerhouni, the Director of the National Institutes of Health. I appreciate the job you're doing, Doc; you're doing a fabulous job. I want to thank Les Crawford, who's with us today, the Acting Director of the—Acting Commissioner of the FDA. Thank you, Les, for being here. And I want to thank everybody else who has come. I'm honored that you're interested in this very important subject.

Before we talk about health care, though, I do want to talk about a couple of other subjects. One, I am, as you could tell from the speech I gave last week, a firm believer in freedom and the ability of freedom to bring peace to our world. I am so pleased to watch liberty advance throughout the world in places that—where people—in places where people never dreamt liberty would come. I want our fellow citizens to see what is happening in our world in the last couple of months.

I mean, in Afghanistan millions of people voted for a President for the first time in 5,000 years. It's a grand moment in history when people who had been condemned to tyranny—by in this case, the Taliban—have a chance to express themselves in the ballot box—at the ballot box, to let their opinions be known as to how Government ought to respond to their needs.

As well the Palestinians elected new leadership. I am very pleased by the courage and leadership shown by Abu Mazen, his desire to unify security forces within the Palestinian territory, so as to defeat the terrorists there and allow for democracy to advance. I believe a Palestinian democracy will emerge and will grow, enabling us to achieve a goal of two states, Israel and Palestine, living side by side in peace.

As well the Ukraine swore in a new President, which was a remarkable advance of democracy in that part of the world. And finally, this Sunday, after years of brutal tyranny, the long-suffering people of Iraq will go to the polls to vote for a—freedom is on the march. Freedom will continue on the march, and therefore the world will be more peaceful, and we'll be able to say we left behind a more steady and stable and peaceful world for our children and our grandchildren.

At home, we've got to make sure freedom continues on the march as well. That starts with making sure every child receives a great education. The No Child Left Behind Act is the beginning of making sure high standards and accountability come to our classrooms, so that not one single child is left behind. We're making progress, and over the next 4 years, we'll continue to make progress.

The world is watching as to whether or not we're able to manage our budgets. One of the things people say, "Are you capable of dealing with twin deficits?" On the one hand, we have a fiscal deficit, so I'll be submitting a budget to the United States Congress that sets clear priorities. One of the priorities of my administration was doubling the funding for NIH so we continue to stay on the leading edge of research and technological change.

We understand how important science is. And we understand it's important to be the leading nation when it comes to research, and we'll continue to stay there. But we are funding some things that aren't effective as well. And so the budget I submit to the United States Congress will work on reducing our deficit in half by—over a 5-year period of time, and at the same time, funding much needed priorities.

As terms of the current account deficit—that would be the deficit as far as our trade goes—the best way to deal with the current account deficit is to make sure America is the best place in the world to do business, to risk capital, so that we can continue to grow our economy. And the first step of doing that is for Congress to bring meaningful legal reform to my desk early in this legislative session, reforming the asbestos law, reforming class-action lawsuits, and reforming medical liability.

We'll continue to work on free and fair trade. I believe we can compete with anybody, anywhere, so long as the rules are fair. We need to open up markets around the world so our farmers and entrepreneurs and manufacturers can sell our products around the world. We need to make sure that regulations are fair. We've got to make sure that taxes remain low so as not to snuff out the entrepreneurial spirit in America. Our economy is growing. Small businesses are vibrant and alive and well. New jobs are being created by small businesses, and we want to continue that momentum. People are finding work. We've recovered from recession. And it's important for Congress to understand that we've got to create an environment for continued capital expansion if we want our people to find jobs. And so I'm looking forward to working with them.

We've got a lot of big challenges ahead of us. And one of the biggest challenges of all is Social Security. And it's a challenge

because if you're a dad, for example, of a 23-, 24-year-old child, when that child comes time to retire, the system is broke. It's flat bust. In 13 years, the system begins to go negative. That's more money going out than coming in.

And so it seems like to me, for people like me who have gotten positions of responsibility, we should deal with this issue and not pass it on in hopes that it gets better. It's not going to get better unless Congress works with the administration to have a permanent, long-term fix for Social Security. If we do not act, the cost becomes more expensive in the out-years. If we do not act, there's going to be a need for huge payroll tax increases and/or major benefit cuts. So now is the time to move. And I understand there's a reluctance by some in Congress to take on a tough decision. But I believe we've been elected for a reason, and that is to confront problems and to work together in a bipartisan spirit.

For those seniors who are worried about the debate on Social Security, you have nothing to worry about. Nothing will change. But your children and your grandchildren do have something to worry about. And so I look forward to working with the Congress to come up with a long-term solution to fix Social Security.

As well we need to come up with reasonable, commonsense policies to address the rising costs of health care. And so today we're going to talk about some innovative ideas. One is health savings accounts. And we'll be talking to an employer and somebody—a beneficiary, like me, of a health savings account. A health savings account enables a person to be in charge of his or her own health care decisions. Health care savings account will cover major catastrophic problems and, at the same time, allow a person to save and/or a business to save tax-free for the everyday expenses of health care. And if in fact you have not reached your limit for your catastrophic care—in other words, if you have money left over, you can roll it over, tax-free, into a savings account that you call your own.

We've got some people who can probably explain this better than me here, consumers of health savings accounts. But health savings accounts all aim at empowering people to make decisions for themselves, owning their own health care plan, and at the same time bringing some demand control into the cost of health care. Our view is, is that if you're a consumer of health care and you're in the marketplace making health care decisions, it is more likely that there be more cost control in health care than a system in which the consumer of health care has his or her health care bills paid by a third-party provider.

Secondly, we're going to talk about association health plans, which will allow small businesses to pool across jurisdictional boundaries to be able to afford health care insurance at the same discounts that big companies get. The principle behind association health plans is that the more risk you're able to spread amongst beneficiaries, the lower your cost of health care. And unfortunately, too many laws restrict small businesses from being able to pool risk. And so we're going to talk about that.

We're going to talk about an integrative way to establish a national marketplace for health care by allowing people to get on the Internet and buy a health care plan in a State other than that in which you live. It's kind of an interesting way to encourage more consumer activism, more choices for our citizens here in the country.

And finally, we're going to talk about making sure that we expand our children's health savings program. And we're going to talk to a lady who has been very much involved in encouraging people to sign up for what's called SCHIP, so the youngest citizens can take care [advantage]* of the Government programs that are now available.

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* White House correction.

As well I want to remind you all that we will continue to promote an adequate safety net for our citizens, and by that, we've got community health centers in America today. I want to continue to expand community health centers. This is the place where the poor and the indigent can get primary care. And they're great centers. And Congress has been very cooperative in the past of funding our budget requests, and I hope they do again as we continue to expand these community health centers all across the United States of America.

We will, obviously, continue to make sure Medicare fulfills its promise. Obviously, I felt the system needed to be reformed. It was a system that would pay, for example, for hospitalization of a senior citizen for heart surgery but not for the medicine that could prevent the heart surgery from being needed in the first place. It was a system that needed to be changed, and at the same time, it was a system that needed to respond to the demands of our senior citizens. And so we introduced market forces into the Medicare system to make it such that it can continue to evolve and grow and change as medicine changes and, therefore, meet the needs of our senior citizens.

Tomorrow I'm going to go to Cleveland to talk about the importance and need of information technology in the health care field. If you really think about many industries in America, they've been able to modernize and become more productive by introducing IT, information technology, into their industries. It's a little difficult—a little more difficult task here in health care. We've got 21st century medical practices but a 19th century paperwork system. Doctors are still writing prescriptions by hand. Most doctors can't write clearly anyway, and so it's a—[*laughter*]—so there's a better way to enable our health care system to wring out inefficiencies and to protect our patients. So medical electronic records is going to be one of the great innovations in medicine. And I look forward to talking about ways to advance information technology and health care.

Finally, a way to make sure that our citizens are able to better afford health care is to speed generic drugs to the market. I want to thank the FDA for propagating rules that prevent pharmaceuticals from delaying the advent and access to our consumers of generic drugs. These drugs do the exact same thing as brandname drugs do and yet cost a fraction of the cost of the brand names. And so we're doing a better job of speeding generics to the markets. And that's a positive development for our seniors and all citizens, for that matter.

So here are some practical ways to address the cost of health care without allowing the Federal Government to become the health care decider. The federalization of health care would be bad medicine for the American people. And one way to prevent that from happening is to propose positive alternatives. And that's what we're going to discuss today.

And the first person I'm going to discuss health savings accounts with is Pat Zakula—correct? Exactly. Pat Zakula. [*Laughter*] She called me George Brush. [*Laughter*]

All right, where are you from?

Patricia Zakula. I'm from northeast Indiana.

The President. Northeast Indiana. Fabulous, yes. And so what do you do?

[*At this point, Ms. Zakula, executive director, Children First Center, Garrett, IN, made brief remarks.*]

The President. Great, thanks for doing that. You're a soldier in the army of compassion. So you've got employees, right? How many?

Ms. Zakula. Yes, we have 70 employees. Because most of our services are home-based, it takes a lot of people to do what we do. Most of our staff are women, some in their twenties to in their fifties.

The President. Right. And you're expected to provide health insurance.

Ms. Zakula. That's right. And we've been doing—providing health care—health insurance for people for many years, as we keep growing. But it became a real struggle, because the costs were just exorbitant, and they would go up, you know, in double digits every year, and sometimes twice a year they would go up.

The President. Right, which is a common problem for a lot of smaller enterprises. So how did you deal with it?

[*Ms. Zakula made further remarks.*]

The President. This is interesting. Listen to what she's saying. First of all, they're going broke. They can't afford health care. Like many small businesses or small enterprise or small nonprofit, she's faced with a choice: "Do I keep the doors open and have employees without health care"—basically, is what you're saying.

The HSA comes along, and so the plan, as I understand it, has a deductible of 1,700—in other words, you pay for the first $1,700 of expenses—and then you have insurance to cover the——

Ms. Zakula. That's correct, to cover the 100 percent after you reach that $1,700.

The President. Right. And the way this HSA works is you take the high-deductible plan, of $1,700 in your case, and contribute $1,700 into the plan, tax-free, so that the person has the 1,700 to cover expenses, up until the insurance policy kicks in. I think that's the way yours works.

[*Ms. Zakula made further remarks.*]

The President. If the 1,700 isn't spent, it rolls over to the next year tax-free and the owner of the HSA can pull the money out tax-free for health care. And so it's an incentive to save.

Now, think about this, if for example, you make healthy choices in your life and the 1,700 could be rolled over, the healthier you are, the less likely you're going to spend on normal health care needs, the more money you have that you call your own. And secondly, the benefit is, your employees start making decisions. As opposed to saying, "You've got to go buy X, Y, Z for this amount," people all of a sudden start to shop for that which is best for them.

Ms. Zakula. That's true. And people who—when they found out that their visit to the doctor really didn't cost $20, which was our co-pay—[*laughter*]—then they're not—then they don't run to the doctor all the time. However, they are using—they're using preventative care and doing the things that they need to do, but they're more likely to shop around and to weigh things, whether I need to do this or not.

The President. Part of the issue with health savings accounts is for people to even understand they exist. And so you're talking to an owner who is on the leading edge of change. These are relatively new products available. And part of the reasons why we're discussing this is we want small-business owners and individuals to realize that health savings accounts are now available. And I urge everybody to look into the benefits of a health savings account.

And you need to listen to Bill Lomel, who is with us. You are an owner of a health savings account?

William Lomel. Right. I'm Bill Lomel. I'm from Atlanta——

The President. Exactly, Lomel, just as I said. [*Laughter*] Two for two. [*Laughter*]

Mr. Lomel. I have a commercial roofing contracting business with 25 employees and, like Pat, was faced with similar decisions. I mean, the monthly premium for our family coverage 2 years ago went from 450 to 750, and then it was going up over a thousand. And the group kept getting smaller because people were dropping out of the plan. The individuals couldn't afford their portion of the coverage. And it was kind of an effect going on, making it——

The President. Catch-22.

Mr. Lomel. Yes.

[*Mr. Lomel, owner, Titan Roofing, LLC, Suwanee, GA, made further remarks.*]

The President. You getting that? It's important for people to understand what he's saying. He buys the high-deductible policy to cover major medical expenses, and the savings on that policy from what he was paying otherwise more than equals the zero to 5,000 dollars cost up until the insurance kicks in. It's his own money, the 5,000. He owns it. It earns interest tax-free. In other words, he's able to put it in an interest-bearing account. And if he or his three children do not spend the 5,000, whatever the balance is, it rolls over to the next year. And it's—and it enables, frankly, small businesses to stay in business and families to be able to better afford health care.

You enjoying it?

Mr. Lomel. Yes, it's great, and it's made providing that benefit possible again.

The President. Yes.

Mr. Lomel. So we're meeting with all of our employees to get them signed up individually on programs that I can kind of help facilitate.

The President. Absolutely. Most of the working uninsured in America work for small businesses. And so for small-business owners out there who are worried about being able to pay for insurance for your employees—and a lot of owners are, like you were—I mean, it must be nerve-wracking.

Mr. Lomel. Well, one of the key things that has come out of this is that when I go to the doctor, I'm interested in the cost. [*Laughter*]

The President. Yes.

Mr. Lomel. And I had——

The President. That's pretty good.

Mr. Lomel. I had a small skin cancer removed this year. And just—I asked.

The President. Yes.

Mr. Lomel. They offered me two procedures, and I said, "Well, how much does this one cost and how much does that one cost, and what are their effectiveness?" And they were virtually the same, so——

The President. You know, it sounds simple, but it is a dynamic that in many cases is absent from the health care markets because if a third party makes that payment, he never gets to ask the question. He just accepts the decision. And all of a sudden when you have consumers starting to ask questions about cost, it is a governor on cost at the very minimum. And so part of—one way to make sure that costs don't continue to escalate is to introduce consumer demand into health care decision-making. And since HSAs enable a consumer to own their own account and manage their own account and make decisions for their account, we've introduced demand into the marketplace.

Thank you two for sharing this. I signed up for an HSA. I'm feeling pretty good these days, and—[*laughter*]—I think I'll have some money left over. But recognizing that I can prevent disease, I want to encourage people to exercise on a regular basis, make wise choices about what you put in your body, be mindful of what you eat. And if you happen to be an HSA owner, like the three of us, you will realize—more likely realize savings that you can roll over tax-free and call your own.

Hopefully, one of these days when I get to be an old guy, my HSA will be bulging with money—[*laughter*]—and I will be comfortable in the security of retirement because my HSA will be a part of a—you know, other options to provide good health care for me and my family.

We've got Rich Parsons with us. I actually got it right, two for three now. What do you do, Rich?

Richard Parsons. I run the Montgomery County Chamber of Commerce, which is a small nonprofit right here in Montgomery County, Maryland, and we represent the employer community.

The President. Good, thanks. Welcome. I'm glad you're here. You are here not only to talk about the wonderful benefits of having a business in Montgomery County but as well to discuss——

Mr. Parsons. Well, what we want to talk about is really the same issue you just

heard from a consumer standpoint; it's the lack of choice. It doesn't affect just consumers, but small-business owners in particular and small nonprofits like ours. We have a very small range of choices that we can select from when we go to do what we all want to do, which is provide our employees with good coverage at good prices. We're finding our choices in a State like Maryland, and even though this is one of the leading biotech and medical innovations centers of the world today, we have about four policies—four companies that will even write policies for small businesses in the State. And we've got to expand choices, and that's what I wanted to talk about today.

The President. Well, I appreciate that. That's common sense, isn't it? If you want there to be reasonable price, the more consumers have to choose in a marketplace, the more likely it is you'll be able to find something at the price you want. That's how the marketplace works. You're telling me the marketplace is somewhat restricted here.

Mr. Parsons. Well, because of regulatory factors and just the way the marketplace has turned out here in Maryland, we are not allowed by State law to do what some States are allowed to do, which is to offer association health plans, where my——

The President. Right. Describe what an association health plan is, please.

[*Mr. Parsons, president and chief executive officer, Montgomery County Chamber of Commerce, Derwood, MD, made further remarks.*]

The President. Right. An association health plan will allow people to pool risk. That's what we're saying. And I happen to think that we ought to allow small businesses to pool risk across State boundaries. In other words, I think a restauranteur in Maryland ought to be able to combine in the same insurance plan as a restauranteur in Texas. I think we ought to be focusing on the social objective of making sure our small-business owners can find affordable health care so that fewer people are working uninsured, rather than jealously guarding jurisdictional lines for whatever reason.

And so I look forward to working with Congress to get an association health plan out—bill out that will allow for pooling of risk for small-business owners across jurisdictional boundaries. And nonprofits, by the way, should be allowed to pool risk as well.

Have you heard of health savings accounts, in the meantime? I mean, these are really great. [*Laughter*]

Mr. Parsons. I learned about them at this event. I'm going to look into it.

The President. You seriously ought to look into them. [*Laughter*]

But Congress needs to understand that on the one hand, you cannot complain about people who don't have insurance and you work for a small business and then not allow small businesses to be able to have the opportunities in the marketplace, the same opportunities afforded companies with large pools, large employee bases. You've got to give them the opportunity to be able to shop.

And so association health plans make a lot of sense. I want to thank you for sharing that with us, Rich.

Mr. Parsons. Well, thank you. We need the help in Congress.

The President. I agree. That's what we're here to do. We're here to remind Congress about the benefits.

Jesse Patton.

Jesse Patton. Correct. [*Laughter*]

The President. Got that right.

Mr. Patton. Just like the general.

The President. Yes, sir. [*Laughter*] The founder and president of——

Mr. Patton. Associations Marketing Group in Des Moines, Iowa. We're actually an insurance agency that specializes in the sale and service of both individual and group health insurance plans. And we do business in 42 States, so we work with individuals not only in Iowa but across all of the United States.

The President. And Jesse wants to talk about an idea that I broached early on, and that is to allow consumers to shop.

[*Mr. Patton made further remarks, concluding as follows.*]

Mr. Patton. The nice thing about this proposal is that people would be able to go across State lines, but they would still have the safety feature of having their products still regulated by insurance division, insurance commissioner.

The President. That's an important point. Sorry to interrupt you. You were on a roll. [*Laughter*]

Mr. Patton. Go ahead, you're the President.

The President. Thank you.

Mr. Patton. I'm just the general. [*Laughter*]

The President. So you're a—you heard Bill talk about—he got on the Internet. He was trying to find more information. He was worried about finding a product that he could use. Imagine someone living in Maryland getting on the Internet and being able to shop nationwide for an insurance plan that meets his or her specific needs—basically what you're saying.

Mr. Patton. Correct. If you look at an example that we did for your staff of a 35-year-old individual with a 35-year-old spouse and two children on a $500 deductible, premiums from the various States—my home State of Iowa, that premium actually comes in at $430. Other States that we looked at, those premiums are at 1,500, 1,200, $1,609. So they're up to a thousand dollars difference in that individual rate for the same product, same insurance carrier, just based on the State that you reside in.

The President. And so, perhaps, one way to encourage reform at the State level is to allow consumers to actually make choices. And the more consumers that buy a product in a certain State may cause other States to have the incentive necessary to change the regulatory burden so that products can be delivered at a less expensive price in their own State.

But the real question people have is, "Well, how do I know I'm not getting cheated?" In other words, it's one thing to open up additional consumer price. But how do you know it's not a fly-by-night or a shyster? We caught a guy the other day flimflamming people on the tsunami relief effort. There was a lot of innocent folks who think they're making a contribution, in this case, to help somebody's life, and it turns out he was a—the FBI found out that he was a flimflam artist. How do we make sure that the innocent consumer is not buying a product from a company that doesn't have the capital base necessary to provide insurance, for example?

Mr. Patton. Correct, and there's actually a couple safety features here. I, as an insurance agent, am licensed and able to do business based on a license I hold by the insurance division of the State that I operate in. I must also get a nonresident license in another State that I plan to sell business. So I'm actually regulated—if I would sell a product here in Maryland, I'm actually regulated by the insurance division in Maryland under my insurance license here, plus I'm also regulated by the insurance division in Iowa, which is my home base. And then, again, you would have the insurance commissioner's office also regulating the carrier and the product.

The President. Right. So in other words, if you're a Texan buying into Iowa, and you feel like you've been cheated, there would be a complaint mechanism——

Mr. Patton. Correct.

The President. ——and the State would, therefore, make the decisions as to whether or not the—on the capital-worthiness of a particular entity offering insurance in that State.

Mr. Patton. Correct. You would actually have two safety features, your home State and your State that you were buying your insurance from.

The President. Right. I think it's an interesting idea. I think the more we give choice to consumers and the more consumers are allowed to be in the marketplace designing and shopping for product that meets their needs, the more likely it is we'll be able to control costs and make the marketplace work. It works in other industry, and I think we need to bring—I know we need to bring market forces into the health care field.

For those of you who live in Maryland, by the way, you're fortunate to have a Governor who understands all this. I appreciate your efforts, by the way, on medical liability reform, addressing the cost. And we look forward to working with you, Governor, and other Governors as well to do the best we can to make this system work on behalf of consumers in the health care field.

Finally, we've got Tammi Fleming with us, from the great city of New Orleans, Louisiana. Isn't that right?

Tammi Fleming. Yes, you got that right. [*Laughter*]

The President. Tammi runs an interesting program. Why don't you describe your program, Tammi.

[*Ms. Fleming, program manager, Health Care for All, New Orleans, LA, made brief remarks.*]

The President. The point is, is that we have programs aimed at helping people who need help, basically is what you're saying. And one such program is SCHIP—that's the Children's Health Care Insurance Program. And it's not fully subscribed. In other words, we had the money available, and States did not access the money to help children with good health care.

[*Ms. Fleming made further remarks.*]

The President. The reason we've asked Tammi to come is because it's very important for States to develop effective outreach programs. At the Federal level, we're willing to help fund outreach programs. We think it's important for people who've qualified for the SCHIP program to know that that program is available without stigma. And it is an effective way to provide our children with the insurance we want our children to have.

And so what Tammi is saying is, she's pointing up the fact that we need a grassroots effort across the country to enable people to know what is available for the Children's Health Care Program.

[*Ms. Fleming made further remarks.*]

The President. Well, I appreciate what you're doing. Walkers and talkers. That's good. Good job.

Well, listen, I want to thank you all for joining the discussion. The solution is one that—the solution to health care costs is one that requires a myriad of approaches, as opposed to a single Federal Government approach. I believe the more we empower people to make decisions, the better off we are in terms of achieving a national objective, which is affordable health care that's available. And I want to thank you all for sharing with people innovative ideas.

I'm pleased to inform you that Dr. Condi Rice has just been confirmed by the United States Senate. She will be a great Secretary of State for the United States of America. I'm honored to be working with her, and I look forward to spreading freedom and peace.

Thank you all for coming. May God bless you all.

NOTE: The President spoke at 11:49 a.m. at the National Institutes of Health. In his remarks, he referred to Gov. Robert L. Ehrlich, Jr., of Maryland and his wife, Kendel; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; and President Viktor Yushchenko of Ukraine.

Interview With Al Arabiya Television
January 26, 2005

The President. Before you ask your question, Lukman, let me—if you don't mind, I'd like to say one thing to the Iraqi people. This is a historic opportunity for the people of Iraq to vote for a Government. And I want to express my appreciation for the courageous Iraqis who are willing to step forth and promote democracy and urge all the citizens in Iraq to vote and to show the terrorists they cannot stop the march of freedom.

I'm proud of the country. I'm proud of the citizens and look forward to the day when Iraq is democratic and free with Iraqi traditions and Iraqi customs. And it will be a grand day on Sunday.

Upcoming Iraqi Elections

Lukman Ahmed. Thank you, Mr. President. And that's before we thank you again for giving us this opportunity here on Al Arabiya. We'd like to congratulate you for entering your second term. But with regard to this Iraqi election, do you expect a big or a good voter turnout?

The President. You know, it is amazing, first of all, they're having a vote at all. A couple of years ago, people would have been puzzled by someone saying that the Iraqis will be given a chance to vote. And now they are. I know this: I know thousands and thousands of Iraqis want to vote. I know they cherish the idea of being able to vote, and I hope as many Iraqis vote as possible.

U.S. Super Stallion Helicopter Crash in Iraq

Mr. Ahmed. Let me ask you how you feel about this incident today, about the helicopter incident. How do you feel about it, and will that affect your engagement in Iraq?

The President. I appreciate you bringing that up. First of all, any time a soldier loses life is a sad day, sad for the family, sad for the friends, sad for his or her fellow troops. And we offer our prayers and condolences and ask for God's grace and comfort on those who suffer.

Today a tragic helicopter accident is a reminder of the risks inherent in military operations. We mourn the loss of life. But I am convinced we're doing the right thing by helping Iraq become a free country, because a free Iraq will have long-term effects in the world and it will help the people of Iraq realize their dreams and aspirations and hopes.

Sunni's Role Following Elections

Mr. Ahmed. Some details, sir, about this election. As you know, that the Iraqis will go to vote, Shi'as whom expected to participate in large numbers and Sunni whom expected to participate in smaller numbers. What is the role you see Sunnis as playing in Iraq after the election?

The President. Well, first of all, I hope all Sunnis vote. I think it's very important. Secondly, I've been heartened by some of the comments of Shi'a leadership that has said the new Government must be inclusive, that, in order for Iraq to achieve its ultimate objective, which is a stable, free society, that everybody ought to be able to participate in the writing of the constitution, that there needs to be respect for minority rights. And to me, those are very healthy, important comments that are being made by Shi'a leaders. And it is an understanding that a free society is one which honors the voices of all.

Iran

Mr. Ahmed. Mr. President, there are report coming out of Iraq suggesting that the Iranian are getting millions of dollars into

Iraq, sending people to influence the election. First, how do you plan to deal with Iranian to this regard?

The President. Well, one way is to speak clearly and make it very clear that the Iranians should not be trying to unduly influence the elections. I'm confident that the Iraqi citizens will want Iraq to be free from any influence—in other words, they want to be able to vote and elect people that will represent their views, not the views of a foreign government.

Mr. Ahmed. If I may follow up. Will it concern you that some sort of pro-Iranian Government will emerge?

The President. Well, I don't think so. I think that the Iraqis who are willing to serve are people who understand that the future of Iraq depends upon Iraqi nationalism and the Iraq character—the character of Iraq and Iraqi people emerging. You know, there's been longtime problems between Iran and Iraq, and I'm confident that Iraqi nationalism and Iraqi pride and the history of Iraq and traditions of Iraq will be the main focus of the new Government and reflect the new Government.

Mr. Ahmed. Another issue regarding that or concerning that country and its tradition is monitored in statements regarding Iran. Mr. Vice President warned Israel not to have any action against Iran. In Israel, nevertheless, they think that a strike on Iran will help to delay the nuclear effort, like the strike on Iraq by Israel on 1981. How do you force this situation?

The President. Well, I think we can solve this problem diplomatically. And I appreciate the efforts of France, Germany, and Great Britain to interface with the Iranians, all attempting to convince them that they must give up their nuclear weapons programs. And we'll work closely with IAEA, as well as the United Nations, to effect that end. And I feel comfortable that we can achieve a understanding with the Iranians on the diplomatic front.

Upcoming Iraqi Elections/Completing the Mission

Mr. Ahmed. We've got to go back to the Iraqi election again. I want to talk about the Iraqi election. Also, we see the future of the coalition forces there, the future of the U.S. forces over there. How do you see the future of the coalition forces after the election in Iraq?

The President. Well, I think it's very important for the Iraqi citizens to know what I've been telling the American citizens, and that is, is that we will stay as long as is necessary to help the Iraqis secure their country. And we'll come home as soon as possible. But that mission must be completed. And the mission is to train Iraqi soldiers, to give Iraqis the tools and the command structure necessary to be able to fight off the few who want to stop the aspirations of the many.

I've heard talk about that we are occupiers. No, the United States and our troops and our coalition are there to help the Iraqi citizens. And so our mission is to do our job as quickly as we can and then come home.

Now, it is up to the Iraqi citizens to eventually fight off the terrorists, and we want to give them the tools necessary to do so. And I think we're making good progress. I mean, obviously there's more work to be done, but many Iraqi units have proven themselves worthy in fighting off these terrorists. And it's important for the Iraqi citizens to know that their own citizens are out defending their freedom.

Iraqi Troops

Mr. Ahmed. And this is—you put it as an exit strategy—with regard to the training that you just mentioned here right now, what exact number you think for Iraqi force already being trained in Iraq?

The President. Oh, how many have been trained so far?

Mr. Ahmed. Yes.

The President. Well, I think we've trained 120,000, but that doesn't necessarily mean

they're ready. There's a difference between quantity and quality. And so our focus over the next year will be to make sure that the quality of the troops is necessary. And there's been great progress on the ground. Some of the fighting units in Iraq have been very strong and very capable. We want to make sure there's a command structure—in other words, from top to bottom there's a chain of command that will enable forces to move at the will of the Iraqi Government. In other words, when the Iraqi Government makes a decision to go defend the Iraqi people, that there's decisive and quick movement.

And we're making progress. There's more work to be done. That's the point. There's more work to be done on the border guards. There's more work to be done with infrastructure guards. There's more work to be done with the regular army as well as the national guard and the police. But we're there to help, as are other countries.

Future Iraq-U.S. Military Relationship

Mr. Ahmed. After securing Iraq and having the Iraqi security forces able to secure their country, there is talk about the thought that here in Washington, they might be a permanent U.S. military base on Iraq. How do you——

The President. Well, that's going to be up to the Iraqi Government. A Government elected by the people will be making the decisions as to how best to secure their country, what kind of help they need to make sure their democracy is able to flourish. And I think the free world will be willing to provide that help. But these are sovereign decisions made by an elected Government.

You know, it hasn't been all that long that we transferred sovereignty to the current Government. It was last June of 2004 that sovereignty was transferred and that Iraqi citizens could see Iraqis making the decisions necessary to move forward. And now the elections will start a process so that by the end of this year there will be an elected Assembly that will be honoring a constitution approved by the people. And it's—I think it's a glorious moment.

And I, again, want to reiterate what I said. I hope the Iraqis—the Iraqis I've heard from have this great desire for freedom. And I hope they're willing to exercise their right and defy the terrorists. The terrorists have no vision for Iraq. They have no vision for a positive and hopeful country—unlike the people who will be elected, who will be listening to the voices of the Iraqis as they develop a society which will help educate people and provide health care. The businesses will flourish in Iraq. Iraq has got—Iraqis have got a great entrepreneurial spirit. They're good businesspeople, and of course we want to help.

Syria

Mr. Ahmed. Another country that is so essential to the security in Iraq, that country is Syria—the Interim Iraq Government accusing Syria of aiding the former regime element and providing a safe haven to the thousands of former Ba'athists. The Syrian Government is saying they are only a few hundred, and they cannot control their border. How do you plan to deal with Syria to this regard?

The President. Well, we've sent messages to the Syrians, very clear messages that they should not be meddling, on the one hand, and they should do everything they can to prevent money, arms, people from going from Syria into Iraq whose intent it is to destabilize and terrorize the citizens and harm our soldiers. And we expect the Government to act on our request.

But it's just not our request. It's also the request of the Iraqi Government. Prime Minister Allawi, as you mentioned, has sent a very clear signal to the Syrians that they expect there to be cooperation and a 100 percent effort to prevent people who would destabilize the Iraqi Government from getting into Iraq.

Situation in the Middle East

Mr. Ahmed. Mr. President, another issue is so essential to the area; that is the Palestinian-Israeli conflict. The latest joint survey conducted by Palestinian and Israeli shows that majority of Palestinians and Israelis support the idea of the permanent two-state solution that you laid out in your peace plan, the roadmap. But the problem is about how to move forward, how to get there. Today, here, again, I need to have a news from you about how we going to have something really new to accelerate the process.

The President. Well, I think you've seen something new that will help accelerate the process, and that is Abu Mazen, who has been elected by the Palestinians, who's showed strong leadership. He has declared that they will do everything they can to protect innocent life from terrorists as well as consolidating security forces. And, therefore, we're on the roadmap. In other words, there's a commitment by this man toward—heading toward peace. And there's obligations for both sides as we go down the path toward the establishment of a Palestinian state. And our job is to hold people to their word, is to say, "Wait a minute. This has happened"—how the Israelis must make it easier for people to move, for example, or make sure tax revenues move to the Palestinian Government so that they're able to more fully function.

At the same time, we very strongly support the conference in London, which will help the Palestinians develop a strategy to develop the institutions necessary for a state to emerge. I'm sending Condoleezza Rice, who was confirmed today as the Secretary of State, to show our commitment to the Palestinian cause, a cause based upon peace, a cause based upon democracy.

Again, I'm very optimistic about the establishment of a Palestinian state. I'm optimistic because the leadership is showing strength. I'm optimistic because there is a very strong entrepreneurial class of people that can—if given a chance, will be able to develop small businesses in the industrial sector that will help the Palestinians find work.

I'm very optimistic because I believe that most Israelis do understand that in the long term their survival depends upon a democratic state coexisting peacefully with Israel. And I'm very optimistic because I believe the world now sees an opportunity to come together to help the process forward. And so I'm—I can't make you a prediction, but I can tell you that I believe that a Palestinian state is very possible. And we look forward to working with the parties who have declared themselves willing to fight off the terrorists and develop a peaceful society.

Prospective Visit by Abu Mazen

Mr. Ahmed. By mentioning Abu Mazen, that—my time is up, this is going to be the last question. You mentioned you're going to send Dr. Rice. And are we expecting to see you inviting Abu Mazen here to the White House? And just to have a clear assurance, whether you think there is enough agreement and work for you to get the Palestinian state made by 2009?

The President. Well, that's a very good question. Hopefully—I'm a person who tries to avoid timetables because sometimes it creates expectations that may not be met. I would hope that we could establish a Palestinian state as quickly as possible, and the United States of America as well as friends and allies will be willing to help along those lines. It is conceivable it could happen before then if there is that firm commitment. And it looks like there is a firm commitment.

Secondly, I had the honor of welcoming Abu Mazen here to the White House before. I'd love to see him again at his convenience. He's got a lot of work to do, and it's up to him to decide when he wants to travel. And if he wants to come to the United States, if he chooses to do so, of

course he's invited. I saw him in Aqaba, Jordan, so I've had a chance to meet with this man twice. And it's—he's a fellow who has, initially, in his new position, made some very difficult decisions, but the right decisions. And I think the Palestinians, if they continue to follow a path toward peaceful relations and the development of a free state where people can express their opinions and have dissent and an open press, there's a very good chance the state will happen. And I'm looking forward to that.

Mr. Ahmed. Mr. President, thank you so much.

The President. Thank you, sir. Lukman, good job.

NOTE: The interview was taped at 1:23 p.m. in the Map Room at the White House for later broadcast. In his remarks, the President referred to Prime Minister Ayad Allawi of the Iraqi Interim Government; and President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority. A tape was not available for verification of the content of this interview.

Remarks in a Discussion on Health Care Information Technology in Cleveland, Ohio
January 27, 2005

The President. Thank you, Leavitt. Thank you, Mike. No, thank you all. Thanks for coming. No, please be seated. Thank you. Thanks for the warm reception. It's great to be here at one of the Nation's finest medical complexes. I want to thank you for giving us a chance to come by and talk about how to make sure health care is available and affordable for our fellow citizens.

I am honored Mike Leavitt has agreed to serve our country. He's been in the job 15 hours, and he hasn't made any mistakes yet. [*Laughter*] But he is going to do a great job. He was a former Governor from the great State of Utah. He understands the need for the Federal Government to relate effectively with State governments. The HHS is a complex organization with a lot of tasks. It requires good management skill in order to be an effective Secretary. I am confident that Mike has got the skill set and the vision necessary to do the job.

And so, Mr. Secretary, welcome to the job. I'm looking forward to working with you. I know a lot of docs are too. And you'll do fine. Fifteen hours and no errors is a good start.

I want to thank Toby Cosgrove, the doc, the CEO and chairman of this fantastic facility, for welcoming us here. I'm honored, Doc, that you put up with the entourage and let us come and visit with the good folks here in the Cleveland area.

I appreciate the docs who showed me the fantastic technologies that are now in place in this hospital. That's part of what we're going to discuss today. As you can see, I've asked some people who know what they're talking about to come and share the great excitement of information technology and how it can help change medicine and save money and save lives and, most importantly, make our fellow citizens—make available to our fellow citizens a health care system that is responsive to their needs.

And so thank you all for coming. I think you're going to find this pretty interesting. I know I'm going to.

I want to thank the Governor of the great State of Ohio for joining us. The last time I saw Taft, he was dancing on the stage at an Inaugural ceremony. [*Laughter*] He's about a lousy a dancer as I am. [*Laughter*]

I want to thank two Members of the Congress who traveled with me today on Air Force One, Ralph Regula, who is a fine Member of the House of Representatives, as well as—thank you for coming, Ralph—as well as Congressman Steve LaTourette. We appreciate you coming, Steve. You over there? Yes, he's still there. I was going to say, if he skipped the deal, he wasn't going to get a ride back. [*Laughter*]

I want to thank all the docs who are here. I want to thank all the people who—nurses who are here and the staff members who are here. I want to thank you for your compassion, and I want to thank you for lending your enormous skills and talents to saving lives. It's—we've got the greatest medical system in the world, and the role of the Federal Government is to do what is necessary to keep it that way. And I believe that the reason why we're so good is not only because we're great at research, but our people are so compassionate and decent and care about their patients.

I want to talk—by the way, I met a guy named T.J. Powell. Where are you, T.J.? There you go. T.J. was at Air Force One. The reason I like to mention somebody like T.J. is because he volunteers a thousand hours per year in helping people as a member of the Ohio Medical Reserve Corps. In other words, he lends his talent and time to help people have a better life. In my State of the Union, I'm going to talk about the strengths of our country, the economy and our military—and we intend to keep it strong to keep the peace. But the true strength is the fact that we've got citizens from all walks of life who are willing to volunteer a thousand hours a year to make somebody's life better. I thank you for the example you've set, T.J. I appreciate you coming.

So the fundamental question facing the country is, can we have a health care system that is available and affordable without the Federal Government running it? I mean, it really is a philosophical challenge. There's good, well-meaning folks who believe that the best health care system is one where Washington, DC, makes the decisions. I happen to believe the best health care system is one where the consumers, the patients, make the decisions.

And so here are some practical ways for us to deal with the rising costs in health care. One is to make sure that people who can't afford health care have got health care available to them in a commonsense way. And that's why I'm such a big backer of expanding community health centers to every poor county in America. We really want people who cannot afford health care, the poor and the indigent, to be able to get good primary care at one of these community health centers and not in the emergency rooms of the hospitals across the United States of America.

The best way for a compassionate society to help make sure there is a health care safety net is to expand these community centers, which are working. I mean, this is something—we say, "Are you going to fund programs that get results?" And the answer is: You bet. And these community health centers get great results. And so I'm looking forward to calling upon Congress to expand them to every poor county in the country.

Secondly, we have made clear our commitment to our Nation's seniors that we'll have a Medicare system that is modern. I can remember traveling the country explaining to people that Medicare would pay for thousands of dollars for a heart surgery—$100,000 for a heart surgery, say, but not one dime for the prescription drugs that would prevent the heart surgery from being needed in the first place. That didn't seem a very effective use of taxpayers' money to me, and it certainly said that the Medicare system wasn't modern.

So I called upon Congress, and Congress acted, and I signed a bill that makes the Medicare system more modern to meet the needs of our seniors. Inherent in the reforms in that bill is giving seniors more

options and more choices to choose from, which is a philosophy that I think you'll hear as we discuss what is available to help control costs. In other words, the more choices people have in health care, the more likely it is that costs will be under control.

Let me give you an interesting idea that I think small-business owners need to look at, and those are called health savings accounts—or individuals need to look at it, or families need to look at health savings accounts. A health savings account is basically a plan that says you buy a high-deductible catastrophic plan—in other words, you cover your first $2,000 of medical expenses, and then the insurance kicks in after that—and that to cover the medical—routine medical expenses up to $2,000, your business contributes tax-free into the plan, which is—and if you don't spend the 2,000—in other words, if you make right choices about how you live and what you put into your body; in other words, if you prevent disease by exercising on a daily basis, and there's money not spent in the account—you can roll it over from one year to the next tax-free. And as you withdraw the money, you can do so tax-free.

Now, the cost of the insurance for the high-deductible catastrophic plan is incredibly less expensive than the normal third-party payer system. And the savings on premiums from that plan more than covers the incidental costs necessary until you get up to the deductible. That's a complicated way of saying, this works.

And I ask small-business owners to take a look at health savings accounts. Most of the working uninsured work for small-business owners, who are getting squeezed by the high cost of medicine. This is a way to be able to afford health care for your employees and, at the same time, put your employees in charge of the decisionmaking when it comes to health care.

One of the issues, in terms of the cost of health care, is the fact that many people have their health care decisions made by third-party payers. So, in other words, they're not really involved with the expenses and the expenditure of money. You show up, and the insurance company covers your costs. But you don't know what the costs are, and you're not involved in the decisionmaking. Health savings accounts, which will make life more affordable for employer and employee, really puts somebody in charge of the decisionmaking, and that in itself is part of how you control costs. If you're out there shopping for a better deal, it helps bring cost efficiencies into a system that needs cost efficiencies.

Another way to help people afford health care, particularly small businesses, is to allow small businesses to pool risk. Right now, if you're a restaurant in Ohio and a restaurant in Texas, you have to buy your insurance only within Ohio or only within Texas. I believe restaurants ought to be able to pool across jurisdictional boundaries so they can buy insurance at the same discount that big companies get to do. In other words, the more people you have in the—in your pool of people to insure, the less expensive insurance becomes. It makes sense, doesn't it? But the law prevents people from doing that now. So here are some practical ways to help with the cost of medicine.

Another practical way—and I want to thank the FDA for having responded to our call—is to get generic drugs to the market faster. Brandname drugs are protected by patent for a period of time to allow pharmaceutical companies to recoup their research and development. That makes sense, but what doesn't make sense is the company's ability to delay the arrival of generic drugs. They do the exact same thing brandname drugs do, but they're far less expensive. And so, by speeding generic drugs to the market, we'll make pharmaceuticals more affordable to our seniors and take the pressure off our State budgets, which we are now in the process of doing.

But we're here to talk about another way to save health—save costs in health care,

and that's information technology. Now look, most industries in America have used information technology to make their businesses more cost-effective, more efficient, and more productive, and the truth of the matter is, health care hasn't. I mean, health care has been fantastic in terms of technological change. I mean, you see these machines in these hospitals—compared to what life was like 10 years ago, things have changed dramatically.

And health care has got—we've got fantastic new pharmaceuticals that help save lives, but we've got docs still writing records by hand. And most docs can't write very well anyway, so—[*laughter*]. Can you? [*Laughter*]

And so the fundamental question is, how do we encourage information technology in a field like health care that will save lives, make patients more involved in decisionmaking, and save money for American people. That's what we're here to talk about.

And I've asked Dr. David Brailer to join us. When we started the process of encouraging information technology to spread throughout health care and setting the goal that there ought to be—every patient—every American ought to have a medical—electronic medical record within I think 7 years—7 years or 10 years?

David Brailer. Ten years.

The President. Ten years—yes, 10. I asked David—or I didn't ask David—Secretary Tommy Thompson asked David and told me he asked David to be in charge of the Federal effort to do what is necessary to reduce the obstacles and roadblocks to get electronic medical records into the hands of every citizen.

So I've asked David to join us to kind of help explain what I'm desperately trying to explain to you—[*laughter*]—in English—and so that people understand why information technology can advantage our society.

Why don't you start, David?

[*At this point, Dr. Brailer, National Health Information Technology Coordinator, Department of Health and Human Services, made brief remarks.*]

The President. Yes, if you're in Florida—living in Ohio and you have to go down to Florida—my brother is the Governor, so I'm putting a plug there. [*Laughter*] But you go to Florida, you get in an automobile accident, an electronic medical record means your data to the doc in the emergency room is transmitted just like that, as opposed to calling somebody, getting them out of bed, could you please go find so-and-so's file, read somebody's file, and transmit the information. I mean, you can imagine, a speedy response to an emergency saves lives.

Go ahead, sorry. I just wanted to put a plug in there.

Dr. Brailer. It's okay, sir. [*Laughter*]

[*Dr. Brailer made further remarks.*]

The President. Well, thank you, sir. David, thanks. He's outlined kind of a national vision, a national strategy—which is being implemented from the ground up, by the way, not the top down. That's why we're here at the hospital, because they've implemented really interesting information technology here.

Let me just say one thing before we get to some docs who are on the frontline of change. One of the things we have to do in this society is to have a judicial system that's fair and balanced. And I couldn't help but think of these good folks who are practicing medicine and realizing that too many of their fellow citizens are leaving the practice of medicine because of junk lawsuits. This society needs to have balanced and fair law. And it is important for Members of Congress, Members of the United States Senate, to know that a unbalanced legal system, a system where the law is like a lottery when it comes to suing people in medicine, is driving good people out of practice. We need medical liability reform—now.

Anyway—Martin Harris. Martin, what do you do? Dr. Martin Harris—excuse me.

C. Martin Harris. I am a general internist, but I'm also the chief information officer for the Cleveland Clinic Foundation.

The President. That's pretty good. [*Laughter*]

Dr. Harris. It's a good combination; keeps me up.

The President. That's strong—[*laughter*]—a man of many talents.

[*Dr. Harris made brief remarks.*]

The President. You're doing good. Keep going. [*Laughter*]

Dr. Harris. All right. I do have one more. And I will point out to you that everything I'm talking about will be in place in Florida by July this year. [*Laughter*]

The President. Let me ask you something. I know you've got one more. I don't want to—I'm just sitting here thinking about, I'm sure people are out there saying, "I don't want my medical records floating around ether, so somebody can pick them up." I presume I'm like most Americans; I think my medical records should be private. I don't want people prying into them. I don't want people looking at them. I don't want people opening them up unless I say it's fine for you to do so. Explain how you——

Dr. Harris. Absolutely. So that is true, and it's true whether it's in electronic form or whether it's a piece of paper. We want to know that the record is secure and that it remains confidential. But information technology actually works perfectly to document that. If you left a medical record on paper in a room, how will you know who saw it? You can't know. When it's in electronic form, when anyone logs on to the system, we know. We know who they are. We know where they are. We know what they were looking at. And we can keep logs of all that information so that we can confirm for our patients that their information is secure.

The President. One more?

[*Dr. Harris made further remarks.*]

The President. See, what he's saying there is that these networks are beginning to grow, from the Cleveland Center out, and the fundamental question is, can the Cleveland Center's network talk to somebody else's network so that you can exchange information? It's one thing to have information on a regional basis; we need to have it on a national basis so that information flows across our country. And that's what the interoperability means.

Listen, you did a fabulous job.

Dr. Harris. Thank you.

The President. Really good job.

Dr. Bob Juhasz. Dr. Juhasz, thank you for being here. What kind of doctor are you—besides a good one? [*Laughter*]

Robert S. Juhasz. I am a primary care/internal medicine physician.

[*Dr. Juhasz, internist, The Cleveland Clinic, Concord Township, OH, made brief remarks, concluding as follows.*]

Dr. Juhasz. And with the MyChart, it allows me to look at that laboratory information, be able to put a secure message to that patient about their laboratory data, and it sends them a secure message to say that you have something to look at in your MyChart site. They log on in a secure way to that site, and they're able to actually review their laboratory work, anything that they've had done previously, as well as my notes. They're also able, if they need to ask for a prescription refill or if they need to get a future appointment, they can do that. And for patients like Patty, that——

The President. Is Patty your patient?

Dr. Juhasz. Yes, she is.

Patricia McGinley. I'm the patient.

The President. Sometimes when we leave the doctor's office, we're wondering when you're going to get new magazine subscriptions. [*Laughter*] Anyway——

Dr. Juhasz. I try to make sure those are updated. [*Laughter*]

The President. Patty. Bob is your doctor?

Ms. McGinley. Yes, he is. He has been for 6 years.

The President. Looks like a fine man.

Ms. McGinley. He's a wonderful physician.

The President. By the way, before we get to Patty, just think how many Bobs there are in the world who have—who will go from writing and wondering and picking up files to an efficient system. And when that's—what he just described, the efficiency he just described means he's saving time and, therefore, money for the patients. And when you multiply the efficiencies to be gained all across the spectrum, whether it be individual docs or hospitals or networks, that's why some predict that you can save 20 percent off the cost of health care as a result of the advent of information technology.

Patty.

Ms. McGinley. Yes, Mr. President.

The President. Welcome. I'm glad you're here. Thank you for coming.

Ms. McGinley. Thank you for having me.

The President. You look healthy to me, but I'm not a doctor. [*Laughter*]

[*Ms. McGinley made further remarks.*]

The President. You did a great job. I think one of the things that's interesting—what struck me about Patty's conversation was—is that—how liberated she feels through information and that I'm sure a lot of patients—and you probably can testify to this—are pretty nervous about dealing with doctors and the words and the diseases and all that stuff. And all of the sudden, the more educated you become, the more comfortable you become, not only about figuring out what's wrong but, more importantly, figuring out how to cure the problem.

And one of the—listen, information is a liberating tool. And it's liberating for a lot of parts of life, including health care. So thank you for sharing that.

Ms. McGinley. You're welcome.

The President. Jorge del Castillo. See. I'm Jorge, too. [*Laughter*]

Jorge del Castillo. It's a good name.

The President. That means George. [*Laughter*] He's Jorge D., I'm Jorge W. [*Laughter*] Anyway—so where do you work?

[*Dr. del Castillo, associate chief of emergency medicine, Evanston Northwestern Healthcare, Evanston, IL, made brief remarks.*]

The President. How long has—have these medical records been available in your situation?

Dr. del Castillo. We deployed—we started in March of 2003. This March it will be 2 years. Interestingly enough, most of our physicians went into the electronic medical records kicking and screaming, and now they can't live without it. It is—the system went down the other day for about 2 hours, and there were just complaints and cries of help and so on because you just cannot live without it. It is just one of the best things that can happen to the medical field.

The President. Yes, you see it's interesting, isn't it? I mean, they've only been in—have had this technology for 2 years. I mean, we're talking the beginning of, and—of a development in health care that is going to be lifesaving and costsaving and changing for the better. And that's what's so exciting about it. And I appreciate you sharing that with us.

Dr. del Castillo. My pleasure, sir.

The President. We've got one other doc here to talk to, Barth Doroshuk. Barth, where do you live?

Barth Doroshuk. I'm from Bethesda, Maryland, Mr. President.

The President. Right, yes, yes.

Mr. Doroshuk. Right next door to you.

The President. Within spitting distance of the Capital. [*Laughter*]

Mr. Doroshuk. Exactly.

The President. Give us a sense about you—actually, I'll introduce Barth. Barth is

a—I wouldn't call you sole practitioner, but close to it.

Mr. Doroshuk. We have a very—we have a small practice in Washington, DC, and in Maryland. The Washington ENT Group provides ear, nose, and throat medicine and head and neck surgery to the regional area of the metropolitan DC area.

The President. And how many docs?

Mr. Doroshuk. And we have six doctors.

The President. So it's a relatively small practice.

Mr. Doroshuk. Small compared to the testimonies we've heard this morning already—four audiologists and a radiology technician because we do some X rays. And when we went into electronic medical records back in 2000, we were looking at starting the practice up, and we had a choice: Do we do it the way we've always done it, or do we move ahead? Is there technology that's there? Is it reliable enough? And is the investment safe? And lo and behold, we decided to go ahead and implement a fully digital medical office, and we haven't looked back.

The President. Which, by the way, has got to be a pretty serious decision for a very small doctors' office. In other words, there's a lot of doctors out there saying, "I don't think I need this, and the cost-benefit ratio certainly doesn't justify me, the sole practitioner, or me operating with three or four other docs."

[*Mr. Doroshuk, president and chief operating officer, Washington ENT Group, Bethesda, MD, made further remarks.*]

The President. Is the cost-benefit—I mean, is it clear to you now that——

Mr. Doroshuk. It's very clear to us, very clear to us. When we opened up our second office, it was not even a factor.

The President. So in other words, it kind of defies the notion that there has to be economies of scale in order to benefit from IT—in other words, big hospitals with a lot of docs will benefit, but little docs won't be able to afford the costs. And it's very important for docs who are listening to this to understand that the cost-benefit is noticeable and real, and not only that, you're expanding as opposed to going out of business.

[*Mr. Doroshuk made further remarks.*]

The President. The role of the—thank you. Good job. The role of the Federal Government is to not only set the strategy but to spend grant money to encourage the development of regional hubs and to really get the process started. There will be a certain momentum that will be achieved once the cost-benefit becomes aware to everybody that's a practitioner. But the Government's role is to help best practices get started. We've sent out two Federal grants from HHS totaling $3 million to Cleveland Clinic to help spur and spawn this fantastic technological development.

And one of the things that I'm excited about is that we're just beginning to learn about the great potential of information technology. And I think what you're witnessing is a dialog about—on a subject that is going to change our lives for the better, and that's why I'm excited about it.

I thank our panelists for being here, for sharing your knowledge, your firsthand knowledge about what is possible, what's taking place. Imagine what the world is going to be like 10 years from now. I mean, what we're hearing today is just the beginning of substantial change, all aimed at improving people's lives and making sure that health care is as affordable as it can possibly be for every citizen.

I hope you've enjoyed this as much as I have. I have found it to be incredibly informative, and I want to thank our panelists once again for sharing their wisdom and knowledge.

God bless.

NOTE: The President spoke at 11:30 a.m. at the Cleveland Clinic InterContinental Suite Hotel. In his remarks, he referred to Toby

Cosgrove, chairman and chief executive officer, The Cleveland Clinic; and Gov. Bob Taft of Ohio.

Remarks at a Swearing-In Ceremony for Condoleezza Rice as Secretary of State

January 28, 2005

Thank you all for coming. Laura and I are honored to be here. Over the past 4 years, America has benefited from the wise counsel of Dr. Condoleezza Rice and our family has been enriched by our friendship with this remarkable person. We love her. I don't know if you're supposed to say that about the Secretary of State. [*Laughter*]

Condi—appointment and confirmation of Secretary of State marks a remarkable transition in what is already a career of outstanding service and accomplishment.

Today also marks an opportunity to honor another career defined by service and accomplishment. Throughout a lifetime spent in public service, Colin Powell has asked nothing in return. For over four decades, millions at home and abroad have benefited from his bravery, his dignity, and his integrity. He's left our Nation a better place than it was when he began his career in public service as a second lieutenant in the United States Army. His magnificent wife, Alma, I am certain is pleased that a grateful nation is giving back her husband—[*laughter*]—and all of us admire and appreciate the service of Colin Powell.

I appreciate the fact that Justice Ruth Bader Ginsburg administered the oath. It was neighborly of her to do that. [*Laughter*] I want to thank Congresswoman Jane Harman from California for joining us, as well as Juanita Millender-McDonald from California. We're honored you both are here. Thanks for taking time to honor your fellow Californian, Condi Rice.

I see sitting between you two is a fine American in Andrew Young. Welcome, Andy. Thank you for coming. I shouldn't start going around the room heralding all the—[*laughter*]—accomplished souls who are here. I do want to thank members of the diplomatic corps for coming. I appreciate Your Excellencies taking time to honor Condi. I want to thank the distinguished guests and members—folks who work at the State Department for joining us as well. It's a good thing to come and honor your new boss—[*laughter*]—good diplomacy—[*laughter*].

Colin Powell leaves big shoes to fill at the State Department, but Condi Rice is the right person to fill them. As National Security Adviser, she has led during a time when events not of our choosing have forced America to the leading edge of history. Condi has an abiding belief in the power of democracy to secure justice and liberty and the inclusion of men and women of all races and religions in the courses that free nations chart for themselves.

A few days from now, these convictions will be confirmed by the Iraqi people when they cast their ballots in Iraq's first free elections in generations. Sunday's election is the first step in a process that will allow Iraqis to write and pass a constitution that enshrines self-government and the rule of law. This history is changing the world, because the advent of democracy in Iraq will serve as a powerful example to reformers throughout the entire Middle East. On Sunday, the Iraqi people will be joining millions in other parts of the world who now decide their future through free votes.

In Afghanistan, the people have voted in the first free Presidential elections in that nation's 5,000-year history. The people of Ukraine have made clear their own desire for democracy. The Palestinians have just elected a new President who has repudiated violence. Freedom is on the march, and the world is better for it.

Widespread hatred and radicalism cannot survive the advent of freedom and self-government. Our Nation will be more secure, the world will be more peaceful as freedom advances. Condi Rice understands that. And the terrorists understand that as well, and that is why they are now attacking Iraqi civilians in an effort to sabotage elections. We applaud the courage of ordinary Iraqis for their refusal to surrender their future to these killers.

No nation can build a safer and better world alone. The men and women of the State Department are doing a fine job of working with other nations to build on the momentum of freedom. I know our Nation will be really well served when the good folks at the State Department join with Condi Rice to face the many challenges and opportunities that lie ahead. In the coming months and years, we must stop the proliferation of dangerous weapons and materials. We must safeguard and expand the freedom of international marketplace and free trade. We must advance justice and fundamental human rights. We must fight HIV/AIDS and other diseases and reduce poverty.

Each task will require good relations with nations around the world, and each will require a Secretary who will lead by character and conviction and wisdom. To meet these times and tasks, America has its best in Dr. Condoleezza Rice, now Secretary Condoleezza Rice, our 66th Secretary of State.

NOTE: The President spoke at 9:58 a.m. at the U.S. Department of State. In his remarks, he referred to former U.S. Ambassador to the United Nations Andrew Young; and President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority. The transcript released by the Office of the Press Secretary also included the remarks of Secretary Rice.

Remarks to the "Congress of Tomorrow" Luncheon in White Sulphur Springs, West Virginia
January 28, 2005

The President. Thank you all. Please be seated.

Deborah, thanks for the kind introduction. I'm kind of warming up for the State of the Union—[*laughter*]—some verbal jumping jacks. Thanks for letting me come by. I'm going to have a few remarks, then I'll answer questions for a while.

Mr. Speaker, thank you for your leadership. Thank you for your friendship. This country has had no better Speaker than Denny Hastert.

Appreciate Senator Ted Stevens—thank you for your tenure and your leadership as well. I'm glad you're here. I thank my friend from the great State of Texas Tom DeLay for his leadership. I appreciate you, Mr. Leader. Mitch McConnell, the Senate majority whip—Senator McConnell, thank you, sir, appreciate you. Congressman Blunt, the House whip. Thank you, Congressman, glad you're here, appreciate you. How is your son doing?

Representative Roy Blunt. He's doing great.

The President. Good, huh?

Representative Blunt. He's taking a page out of your book.

The President. Yes, I like a guy who follows in his father's footsteps. [*Laughter*]

Senator Kyl, who's the chairman of the Republican policy committee—thank you, sir. Deborah Pryce, who you know, and Rick Santorum—thank you both for organizing this event. Thank the members of my Cabinet who are here, John Snow and Josh Bolten. I'm looking forward to working with you.

As you know, David Hobbs has handled legislative affairs for my administration for a couple of years. He's worked very closely with the leadership and the Members of both the House and the Senate. He has decided to move on. He will be replaced by Candi Wolff. I know you look forward to working with Candi. She is a fine soul. And we're going to miss David Hobbs, and I appreciate him for his—I appreciate his long service.

A couple points I'd like to make. First, I think we've proven to the country we know how to set an agenda and work together to achieve it. In other words, people ought to view this team we've put together, the relationship between the executive branch and the legislative branch, as people who are—come to Washington, DC, to solve problems. And we have done so over the last 4 years, and we will continue to do so for the next 4 years.

I look forward to addressing the Nation. I will remind the country we're still at war. And I want to thank the Congress for providing the necessary support for our troops who are in harm's way. I will also tell the people once again that I strongly believe that the way to defeat hatred and terrorism is to spread freedom. And I believe everybody in the world deserves to be free.

I look forward to discussing ways to keep this recovery going so people can find work. I look forward to talking to the country about the need to address big reforms like Social Security. I will continue to articulate the faith-based agenda, the compassion agenda so that people can find hope in our country. I'll remind the people we're a great nation. We can achieve anything we set our mind to. And I will tell them like I'm telling you, it's such an honor to be the President of the United States.

Thank you for letting me come. I look forward to answering your questions.

NOTE: The President spoke at 1:06 p.m. at the Greenbrier. In his remarks, he referred to Gov. Matt Blunt of Missouri, son of Representative Roy Blunt. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

The President's Radio Address
January 29, 2005

Good morning. Tomorrow the world will witness a turning point in the history of Iraq, a milestone in the advance of freedom, and a crucial advance in the war on terror. The Iraqi people will make their way to polling centers across their nation. On the national ballot alone, voters will choose from nearly 19,000 candidates competing for seats in the Transitional National Assembly, in the country's 18 provincial councils, and in the Kurdistan National Assembly. This historic event will be overseen by the Independent Election Commission of Iraq and will mark the first genuine, nationwide elections in generations.

The terrorists and those who benefited from the tyranny of Saddam Hussein know that free elections will expose the emptiness of their vision for Iraq. That is why

they will stop at nothing to prevent or disrupt this election. The terrorist Zarqawi, who plans and orders many of the car bombings and beheadings in Iraq, recently acknowledged the threat that democracy poses to his cult of hatred. "Of democracy in Iraq," he said, "we have declared a fierce war against this evil principle." He denounced as infidels all who seek to exercise their right to vote as free human beings.

Yet in the face of this intimidation, the Iraqi people are standing firm. Tomorrow's elections will happen because of their courage and determination. All throughout Iraq, these friends of freedom understand the stakes. In the face of assassination, brutal violence, and calculated intimidation, Iraqis continue to prepare for the elections and to campaign for their candidates. They know what democracy will mean for their country, a future of peace, stability, prosperity, and justice for themselves and for their children. One resident of Baghdad said, "This election represents what is possible. To me, it's the start of a new life."

This election is also important for America. Our Nation has always been more secure when freedom is on the march. As hope and freedom spread, the appeal of terror and hate will fade. And there is not a democratic nation in our world that threatens the security of the United States. The best way to ensure the success of democracy is through the advance of democracy.

Tomorrow's vote will be the latest step in Iraq's journey to permanent democracy and freedom. Those elected to the Transitional National Assembly will help appoint a new Government that will fully and fairly represent the diversity of the Iraqi people. This Assembly will also be charged with drafting a permanent constitution that will be put to a vote of the Iraqi people this fall. If approved, a new nationwide election will follow in December that will choose a new Government under this constitution.

As democracy takes hold in Iraq, America's mission there will continue. Our military forces, diplomats, and civilian personnel will help the newly elected Government of Iraq establish security and train Iraqi military police and other forces. Terrorist violence will not end with the election. Yet the terrorists will fail, because the Iraqi people reject their ideology of murder.

Over the past year, the world has seen successful elections in Afghanistan, Malaysia, Indonesia, Georgia, Ukraine, and the Palestinian Territories. In countries across the broader Middle East, from Morocco to Bahrain, governments are enacting new reforms and increasing participation for their people.

Tomorrow's election will add to the momentum of democracy. One Iraqi, speaking about the upcoming vote, said, "Now, most people feel they are living in darkness. It is time for us to come into the light." Every Iraqi who casts his or her vote deserves the admiration of the world. And free people everywhere send their best wishes to the Iraqi people as they move further into the light of liberty.

Thank you for listening.

NOTE: The address was recorded at 7:50 a.m. on January 28 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on January 29. The transcript was made available by the Office of the Press Secretary on January 28 but was embargoed for release until the broadcast. In his address, the President referred to senior Al Qaida associate Abu Musab Al Zarqawi. The Office of the Press Secretary also released a Spanish language transcript of this address.

Address to the Nation on the Iraqi Elections
January 30, 2005

Today the people of Iraq have spoken to the world, and the world is hearing the voice of freedom from the center of the Middle East.

In great numbers and under great risk, Iraqis have shown their commitment to democracy. By participating in free elections, the Iraqi people have firmly rejected the anti-democratic ideology of the terrorists. They have refused to be intimidated by thugs and assassins. And they have demonstrated the kind of courage that is always the foundation of self-government.

Some Iraqis were killed while exercising their rights as citizens. We also mourn the American and British military personnel who lost their lives today. Their sacrifices were made in a vital cause of freedom, peace in a troubled region, and a more secure future for us all.

The Iraqi people, themselves, made this election a resounding success. Brave patriots stepped forward as candidates. Many citizens volunteered as pollworkers. More than 100,000 Iraqi security force personnel guarded polling places and conducted operations against terrorist groups. One news account told of a voter who had lost a leg in a terror attack last year and went to the polls today despite threats of violence. He said, "I would have crawled here if I had to. I don't want terrorists to kill other Iraqis like they tried to kill me. Today I am voting for peace."

Across Iraq today, men and women have taken rightful control of their country's destiny, and they have chosen a future of freedom and peace. In this process, Iraqis have had many friends at their side. The European Union and the United Nations gave important assistance in the election process. The American military and our diplomats, working with our coalition partners, have been skilled and relentless, and their sacrifices have helped to bring Iraqis to this day. The people of the United States have been patient and resolute, even in difficult days.

The commitment to a free Iraq now goes forward. This historic election begins the process of drafting and ratifying a new constitution, which will be the basis of a fully democratic Iraqi Government. Terrorists and insurgents will continue to wage their war against democracy, and we will support the Iraqi people in their fight against them. We will continue training Iraqi security forces so this rising democracy can eventually take responsibility for its own security.

There's more distance to travel on the road to democracy. Yet Iraqis are proving they're equal to the challenge. On behalf of the American people, I congratulate the people of Iraq on this great and historic achievement.

Thank you very much.

NOTE: The President spoke at 1 p.m. from the Cross Hall at the White House. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks at a Swearing-In Ceremony for Margaret Spellings as Secretary of Education

January 31, 2005

Please be seated. Thanks for coming. Laura and I are pleased to be here at the Department of Education with Margaret Spellings. Madam Secretary, thanks for inviting us over.

I have known Margaret for a long time, before we both came to Washington. When I was the Governor of Texas, she was the senior adviser for education, and at the White House she has been my senior domestic policy adviser. For more than 10 years, she's been right down the hall or by my side, and now I look forward to having her take her seat in the Cabinet Room.

It's good to be here with members of her family. I've known her husband for a while, Robert Spellings. It's good that Robert and Britain are with us. Mary and Grace are with us as well, Margaret's daughters. Her parents, John and Peg Dudar, are here, as are other members of her family. Welcome to Washington, DC.

I'm pleased Members of the Congress have come. I am so grateful that Senator Ted Kennedy and Senator Mike Enzi are with us today. Thank you both for coming. I appreciate Congressmen John Boehner, Ralph Regula, and Mac Thornberry from Texas for being here. You're very gracious to take time to be here. Thank you all for being here.

Looking around, I see other nominees for the Cabinet and members of our administration, all fans of Margaret. I see a few Texans have come up from the great State. Thank you all for being here. We're honored you're here. I know Margaret is especially honored you're here.

She will be an outstanding Secretary of Education. She has been involved in all our efforts to strengthen American public schools. She was instrumental in getting the No Child Left Behind Act passed, that will help raise standards in our public schools. She believes, as I do, that every child can learn, and that every school must teach.

In the past 4 years, we have made great strides. Today, children across America are scoring higher on State reading and math tests. The achievement gap in America is closing. We've made important progress, but Margaret understands there is still more work to be done.

We will maintain the high standards of No Child Left Behind. We will extend those high standards and accountability to America's public high schools. Today, only about 60 out of every 100 students entering our public high schools ever make it to graduation 4 years later. Margaret understands, as do I, that is unacceptable. We're committed to ensuring that every high school student succeeds and leaves with the skills he or she needs to succeed in college or the workplace.

Because most new jobs in our 21st century economy will require post-secondary education or training, Margaret understands we need to make higher education more affordable and accessible for all Americans. We will reform the student aid system and increase college assistance for low-income students. We'll increase the maximum award for Pell grants and make them available to students year-round. And we will expand access to community colleges, so that more Americans can develop the skills and knowledge they need to succeed in the workplace.

Margaret is the right person to carry out a reform agenda. She is talented. She is smart. She is capable, and she is a lot of fun to be around. [*Laughter*] She is a mom. She has a personal stake in the success of our Nation's schools. She knows that to build on the progress of No Child Left Behind, the Government, the President,

and the Secretary of Education and those who work in this building must listen to those closest to our children—their parents, their teachers, and their principals. She will be a thoughtful and determined leader of this Department. The people who work in this building will find out that they are very lucky to have been led by the likes of Margaret Spellings. I am proud to welcome her into my Cabinet.

Margaret.

NOTE: The President spoke at 10:47 a.m. at the U.S. Department of Education. The transcript released by the Office of the Press Secretary also included the remarks of Secretary Spellings.

Remarks Honoring the 2004 National Basketball Association Champion Detroit Pistons
January 31, 2005

Thank you all. Please be seated. Gosh, what an honor it is to welcome the mighty Detroit Pistons to the White House. With all the fans here and the players, I guess you'd expect to hear somebody ringing the gong. [*Laughter*] I love to welcome champs to the people's home.

I also am glad to welcome members of the Michigan delegation: Senator Levin, thank you for coming; Congressman Kildee; Congressman Levin—that would be Senator Levin's brother. [*Laughter*] Joe Knollenberg is here. Thanks for coming, Joe. It's great to see you. Congressman Carolyn Kilpatrick—that would be the mom of the mayor. [*Laughter*] I'm sure the mayor was there during the celebration. Candice Miller is with us. Thank you all for coming. I'm honored that you're here to welcome your favorite team.

I'm proud to be on the—sharing the stage with Coach Larry Brown. The guy must know what he's doing, you know? [*Laughter*] He's NCAA champs with the Kansas Jayhawks and now is a professional basketball coach that won the NBA crown.

Bill Davidson—I've known Bill Davidson in the past. He is a true gentleman, a great civic leader in the Detroit area. Mr. Davidson, thank you for being here. Congratulations on the championship. Oscar Feldman, part-owner of the Pistons is with us. Thank you for coming, Oscar.

Joe Dumars and Bill Laimbeer—both of them came to the White House as champs. As I recall, you came here in '89 and '90—I'm aware of who was living here then. [*Laughter*] Welcome back. Congratulations to Joe as the president of basketball operations—Mr. President. And Bill, of course, is the coach of the Shock, who we welcomed here to the Rose Garden last—2 years ago.

Tom Wilson, the president of Palace Sports and Entertainment. I want to thank all the players and your families who've come. Welcome. I hope you've gotten a tour of this majestic place. It's a special place to work and live.

I want to congratulate Chauncey Billups for being the NBA Championship Series MVP.

So nobody expected you to win. I know how you feel. [*Laughter*] You won because you put a team together. You had people willing to serve something greater than yourself, and it's a wonderful example for kids on playgrounds or people in all walks of life. I guess you kind of just played it the right way. I think that's what the coach says, "Play it the right way." That's how we should live life. That's what champs do. They set an example.

As you know, a lot of kids look at you. They see you as the big star. They wonder what life should be like, and every time you set an example for a kid to make a right choice in life, you're helping save a life. And I want to thank you for the extent that you do that.

I also appreciate the fact that you've been involved in great causes like teaching children how to read. I can't think of a more important cause than lending a gift of knowledge to a child. I remember the time in Houston, Texas, when a woman walked up to me and she said, "Reading is the new civil right." I thought that was such a powerful phrase. If you believe that, if you believe you liberate people by teaching them to read, consider yourself liberators as a result of being in the program, "Read To Achieve."

I want to thank you for setting an example for the tsunami relief effort. As you might remember, I tapped two former Presidents, 41 and 42—that would be my dad and President Clinton—to join together to help raise money. I suspect basketball players probably have a little more pull than they do. And so I want to thank you for setting an example of serving people who hurt. In other words, you have taken your great championship status and converted it to good, and that's good.

And so we're here to congratulate you for being the great champs that you are. And by the way, I also want to thank you for providing entertainment for our troops overseas. I don't know if you know this or not, but a lot of people overseas support professional basketball. Professional basketball provides great relief from their duty and entertainment, a reminder of what life is like back home, and I suspect a lot of them are Detroit Pistons fans as well.

So thank you for what you're doing, supporting those who have helped make this world a more peaceful and free place. In other words, welcome to the White House, and congratulations for being called champs. Thanks for coming.

NOTE: The President spoke at 3:05 p.m. in the East Room at the White House. In his remarks, he referred to Mayor Kwame M. Kilpatrick of Detroit, MI, son of Representative Carolyn C. Kilpatrick; Bill Davidson and Oscar Feldman, owners, and Joe Dumars, president of basketball operations, Detroit Pistons; and Bill Laimbeer, head coach, Detroit Shock, Women's National Basketball Association.

Address Before a Joint Session of the Congress on the State of the Union
February 2, 2005

Mr. Speaker, Vice President Cheney, Members of Congress, fellow citizens:

As a new Congress gathers, all of us in the elected branches of Government share a great privilege: We've been placed in office by the votes of the people we serve. And tonight that is a privilege we share with newly elected leaders of Afghanistan, the Palestinian Territories, Ukraine, and a free and sovereign Iraq.

Two weeks ago, I stood on the steps of this Capitol and renewed the commitment of our Nation to the guiding ideal of liberty for all. This evening I will set forth policies to advance that ideal at home and around the world.

Tonight, with a healthy, growing economy, with more Americans going back to work, with our Nation an active force for good in the world, the state of our Union is confident and strong.

Our generation has been blessed by the expansion of opportunity, by advances in medicine, by the security purchased by our

parents' sacrifice. Now, as we see a little gray in the mirror—or a lot of gray—[*laughter*]—and we watch our children moving into adulthood, we ask the question: What will be the state of their Union? Members of Congress, the choices we make together will answer that question. Over the next several months, on issue after issue, let us do what Americans have always done and build a better world for our children and our grandchildren.

First, we must be good stewards of this economy and renew the great institutions on which millions of our fellow citizens rely. America's economy is the fastest growing of any major industrialized nation. In the past 4 years, we've provided tax relief to every person who pays income taxes, overcome a recession, opened up new markets abroad, prosecuted corporate criminals, raised homeownership to its highest level in history. And in the last year alone, the United States has added 2.3 million new jobs. When action was needed, the Congress delivered, and the Nation is grateful.

Now we must add to these achievements. By making our economy more flexible, more innovative, and more competitive, we will keep America the economic leader of the world.

America's prosperity requires restraining the spending appetite of the Federal Government. I welcome the bipartisan enthusiasm for spending discipline. I will send you a budget that holds the growth of discretionary spending below inflation, makes tax relief permanent, and stays on track to cut the deficit in half by 2009. My budget substantially reduces or eliminates more than 150 Government programs that are not getting results or duplicate current efforts or do not fulfill essential priorities. The principle here is clear: Taxpayer dollars must be spent wisely or not at all.

To make our economy stronger and more dynamic, we must prepare a rising generation to fill the jobs of the 21st century. Under the No Child Left Behind Act, standards are higher, test scores are on the rise, and we're closing the achievement gap for minority students. Now we must demand better results from our high schools, so every high school diploma is a ticket to success. We will help an additional 200,000 workers to get training for a better career by reforming our job training system and strengthening America's community colleges. And we'll make it easier for Americans to afford a college education by increasing the size of Pell grants.

To make our economy stronger and more competitive, America must reward, not punish, the efforts and dreams of entrepreneurs. Small business is the path of advancement, especially for women and minorities, so we must free small businesses from needless regulation and protect honest job-creators from junk lawsuits. Justice is distorted and our economy is held back by irresponsible class actions and frivolous asbestos claims, and I urge Congress to pass legal reforms this year.

To make our economy stronger and more productive, we must make health care more affordable and give families greater access to good coverage and more control over their health decisions. I ask Congress to move forward on a comprehensive health care agenda with tax credits to help low-income workers buy insurance, a community health center in every poor county, improved information technology to prevent medical error and needless costs, association health plans for small businesses and their employees, expanded health savings accounts, and medical liability reform that will reduce health care costs and make sure patients have the doctors and care they need.

To keep our economy growing, we also need reliable supplies of affordable, environmentally responsible energy. Nearly 4 years ago, I submitted a comprehensive energy strategy that encourages conservation, alternative sources, a modernized electricity grid, and more production here at home, including safe, clean nuclear energy. My Clear Skies legislation will cut powerplant

pollution and improve the health of our citizens. And my budget provides strong funding for leading-edge technology, from hydrogen-fueled cars to clean coal to renewable sources such as ethanol. Four years of debate is enough. I urge Congress to pass legislation that makes America more secure and less dependent on foreign energy.

All these proposals are essential to expand this economy and add new jobs, but they are just the beginning of our duty. To build the prosperity of future generations, we must update institutions that were created to meet the needs of an earlier time. Year after year, Americans are burdened by an archaic, incoherent Federal Tax Code. I've appointed a bipartisan panel to examine the Tax Code from top to bottom. And when their recommendations are delivered, you and I will work together to give this Nation a Tax Code that is progrowth, easy to understand, and fair to all.

America's immigration system is also outdated, unsuited to the needs of our economy and to the values of our country. We should not be content with laws that punish hard-working people who want only to provide for their families and deny businesses willing workers and invite chaos at our border. It is time for an immigration policy that permits temporary-guest workers to fill jobs Americans will not take, that rejects amnesty, that tells us who is entering and leaving our country, and that closes the border to drug dealers and terrorists.

One of America's most important institutions, a symbol of the trust between generations, is also in need of wise and effective reform. Social Security was a great moral success of the 20th century, and we must honor its great purposes in this new century. The system, however, on its current path, is headed toward bankruptcy. And so we must join together to strengthen and save Social Security.

Today, more than 45 million Americans receive Social Security benefits, and millions more are nearing retirement. And for them the system is sound and fiscally strong. I have a message for every American who is 55 or older: Do not let anyone mislead you; for you, the Social Security system will not change in any way.

For younger workers, the Social Security system has serious problems that will grow worse with time. Social Security was created decades ago for a very different era. In those days, people did not live as long. Benefits were much lower than they are today. And a half century ago, about 16 workers paid into the system for each person drawing benefits.

Our society has changed in ways the founders of Social Security could not have foreseen. In today's world, people are living longer and, therefore, drawing benefits longer. And those benefits are scheduled to rise dramatically over the next few decades. And instead of 16 workers paying in for every beneficiary, right now it's only about 3 workers. And over the next few decades, that number will fall to just 2 workers per beneficiary. With each passing year, fewer workers are paying ever-higher benefits to an ever-larger number of retirees.

So here is the result: Thirteen years from now, in 2018, Social Security will be paying out more than it takes in. And every year afterward will bring a new shortfall, bigger than the year before. For example, in the year 2027, the Government will somehow have to come up with an extra $200 billion to keep the system afloat, and by 2033, the annual shortfall would be more than $300 billion. By the year 2042, the entire system would be exhausted and bankrupt. If steps are not taken to avert that outcome, the only solutions would be dramatically higher taxes, massive new borrowing, or sudden and severe cuts in Social Security benefits or other Government programs.

I recognize that 2018 and 2042 may seem a long way off. But those dates are not so distant, as any parent will tell you.

If you have a 5-year-old, you're already concerned about how you'll pay for college tuition 13 years down the road. If you've got children in their twenties, as some of us do, the idea of Social Security collapsing before they retire does not seem like a small matter. And it should not be a small matter to the United States Congress. You and I share a responsibility. We must pass reforms that solve the financial problems of Social Security once and for all.

Fixing Social Security permanently will require an open, candid review of the options. Some have suggested limiting benefits for wealthy retirees. Former Congressman Tim Penny has raised the possibility of indexing benefits to prices rather than wages. During the 1990s, my predecessor, President Clinton, spoke of increasing the retirement age. Former Senator John Breaux suggested discouraging early collection of Social Security benefits. The late Senator Daniel Patrick Moynihan recommended changing the way benefits are calculated. All these ideas are on the table.

I know that none of these reforms would be easy. But we have to move ahead with courage and honesty, because our children's retirement security is more important than partisan politics. I will work with Members of Congress to find the most effective combination of reforms. I will listen to anyone who has a good idea to offer. We must, however, be guided by some basic principles. We must make Social Security permanently sound, not leave that task for another day. We must not jeopardize our economic strength by increasing payroll taxes. We must ensure that lower income Americans get the help they need to have dignity and peace of mind in their retirement. We must guarantee there is no change for those now retired or nearing retirement. And we must take care that any changes in the system are gradual, so younger workers have years to prepare and plan for their future.

As we fix Social Security, we also have the responsibility to make the system a better deal for younger workers. And the best way to reach that goal is through voluntary personal retirement accounts. Here is how the idea works. Right now, a set portion of the money you earn is taken out of your paycheck to pay for the Social Security benefits of today's retirees. If you're a younger worker, I believe you should be able to set aside part of that money in your own retirement account, so you can build a nest egg for your own future.

Here's why the personal accounts are a better deal. Your money will grow over time at a greater rate than anything the current system can deliver, and your account will provide money for retirement over and above the check you will receive from Social Security. In addition, you'll be able to pass along the money that accumulates in your personal account, if you wish, to your children and—or grandchildren. And best of all, the money in the account is yours, and the Government can never take it away.

The goal here is greater security in retirement, so we will set careful guidelines for personal accounts. We'll make sure the money can only go into a conservative mix of bonds and stock funds. We'll make sure that your earnings are not eaten up by hidden Wall Street fees. We'll make sure there are good options to protect your investments from sudden market swings on the eve of your retirement. We'll make sure a personal account cannot be emptied out all at once but rather paid out over time as an addition to traditional Social Security benefits. And we'll make sure this plan is fiscally responsible by starting personal retirement accounts gradually and raising the yearly limits on contributions over time, eventually permitting all workers to set aside 4 percentage points of their payroll taxes in their accounts.

Personal retirement accounts should be familiar to Federal employees, because you already have something similar called the Thrift Savings Plan, which lets workers deposit a portion of their paychecks into any of five different broadly based investment

funds. It's time to extend the same security and choice and ownership to young Americans.

Our second great responsibility to our children and grandchildren is to honor and to pass along the values that sustain a free society. So many of my generation, after a long journey, have come home to family and faith and are determined to bring up responsible, moral children. Government is not the source of these values, but Government should never undermine them.

Because marriage is a sacred institution and the foundation of society, it should not be redefined by activist judges. For the good of families, children, and society, I support a constitutional amendment to protect the institution of marriage.

Because a society is measured by how it treats the weak and vulnerable, we must strive to build a culture of life. Medical research can help us reach that goal by developing treatments and cures that save lives and help people overcome disabilities, and I thank the Congress for doubling the funding of the National Institutes of Health.

To build a culture of life, we must also ensure that scientific advances always serve human dignity, not take advantage of some lives for the benefit of others. We should all be able to agree on some clear standards. I will work with Congress to ensure that human embryos are not created for experimentation or grown for body parts and that human life is never bought or sold as a commodity. America will continue to lead the world in medical research that is ambitious, aggressive, and always ethical.

Because courts must always deliver impartial justice, judges have a duty to faithfully interpret the law, not legislate from the bench. As President, I have a constitutional responsibility to nominate men and women who understand the role of courts in our democracy and are well-qualified to serve on the bench, and I have done so. The Constitution also gives the Senate a responsibility: Every judicial nominee deserves an up-or-down vote.

Because one of the deepest values of our country is compassion, we must never turn away from any citizen who feels isolated from the opportunities of America. Our Government will continue to support faith-based and community groups that bring hope to harsh places. Now we need to focus on giving young people, especially young men in our cities, better options than apathy or gangs or jail. Tonight I propose a 3-year initiative to help organizations keep young people out of gangs and show young men an ideal of manhood that respects women and rejects violence. Taking on gang life will be one part of a broader outreach to at-risk youth, which involves parents and pastors, coaches and community leaders in programs ranging from literacy to sports. And I am proud that the leader of this nationwide effort will be our First Lady, Laura Bush.

Because HIV/AIDS brings suffering and fear into so many lives, I ask you to reauthorize the Ryan White Act to encourage prevention and provide care and treatment to the victims of that disease. And as we update this important law, we must focus our efforts on fellow citizens with the highest rates of new cases, African American men and women.

Because one of the main sources of our national unity is our belief in equal justice, we need to make sure Americans of all races and backgrounds have confidence in the system that provides justice. In America, we must make doubly sure no person is held to account for a crime he or she did not commit, so we are dramatically expanding the use of DNA evidence to prevent wrongful conviction. Soon I will send to Congress a proposal to fund special training for defense counsel in capital cases, because people on trial for their lives must have competent lawyers by their side.

Our third responsibility to future generations is to leave them an America that is safe from danger and protected by peace.

We will pass along to our children all the freedoms we enjoy, and chief among them is freedom from fear.

In the 3½ years since September the 11th, 2001, we have taken unprecedented actions to protect Americans. We've created a new department of Government to defend our homeland, focused the FBI on preventing terrorism, begun to reform our intelligence agencies, broken up terror cells across the country, expanded research on defenses against biological and chemical attack, improved border security, and trained more than a half million first-responders. Police and firefighters, air marshals, researchers, and so many others are working every day to make our homeland safer, and we thank them all.

Our Nation, working with allies and friends, has also confronted the enemy abroad with measures that are determined, successful, and continuing. The Al Qaida terror network that attacked our country still has leaders, but many of its top commanders have been removed. There are still governments that sponsor and harbor terrorists, but their number has declined. There are still regimes seeking weapons of mass destruction but no longer without attention and without consequence. Our country is still the target of terrorists who want to kill many and intimidate us all, and we will stay on the offensive against them until the fight is won.

Pursuing our enemies is a vital commitment of the war on terror, and I thank the Congress for providing our service men and women with the resources they have needed. During this time of war, we must continue to support our military and give them the tools for victory.

Other nations around the globe have stood with us. In Afghanistan, an international force is helping provide security. In Iraq, 28 countries have troops on the ground, the United Nations and the European Union provided technical assistance for the elections, and NATO is leading a mission to help train Iraqi officers. We're cooperating with 60 governments in the Proliferation Security Initiative to detect and stop the transit of dangerous materials. We're working closely with the governments in Asia to convince North Korea to abandon its nuclear ambitions. Pakistan, Saudi Arabia, and nine other countries have captured or detained Al Qaida terrorists. In the next 4 years, my administration will continue to build the coalitions that will defeat the dangers of our time.

In the long term, the peace we seek will only be achieved by eliminating the conditions that feed radicalism and ideologies of murder. If whole regions of the world remain in despair and grow in hatred, they will be the recruiting grounds for terror, and that terror will stalk America and other free nations for decades. The only force powerful enough to stop the rise of tyranny and terror and replace hatred with hope is the force of human freedom. Our enemies know this, and that is why the terrorist Zarqawi recently declared war on what he called the "evil principle" of democracy. And we've declared our own intention: America will stand with the allies of freedom to support democratic movements in the Middle East and beyond, with the ultimate goal of ending tyranny in our world.

The United States has no right, no desire, and no intention to impose our form of government on anyone else. That is one of the main differences between us and our enemies. They seek to impose and expand an empire of oppression in which a tiny group of brutal, self-appointed rulers control every aspect of every life. Our aim is to build and preserve a community of free and independent nations, with governments that answer to their citizens and reflect their own cultures. And because democracies respect their own people and their neighbors, the advance of freedom will lead to peace.

That advance has great momentum in our time, shown by women voting in Afghanistan and Palestinians choosing a new

direction and the people of Ukraine asserting their democratic rights and electing a President. We are witnessing landmark events in the history of liberty, and in the coming years, we will add to that story.

The beginnings of reform and democracy in the Palestinian Territories are now showing the power of freedom to break old patterns of violence and failure. Tomorrow morning Secretary of State Rice departs on a trip that will take her to Israel and the West Bank for meetings with Prime Minister Sharon and President Abbas. She will discuss with them how we and our friends can help the Palestinian people end terror and build the institutions of a peaceful, independent, democratic state. To promote this democracy, I will ask Congress for $350 million to support Palestinian political, economic, and security reforms. The goal of two democratic states, Israel and Palestine, living side by side in peace is within reach, and America will help them achieve that goal.

To promote peace and stability in the broader Middle East, the United States will work with our friends in the region to fight the common threat of terror, while we encourage a higher standard of freedom. Hopeful reform is already taking hold in an arc from Morocco to Jordan to Bahrain. The Government of Saudi Arabia can demonstrate its leadership in the region by expanding the role of its people in determining their future. And the great and proud nation of Egypt, which showed the way toward peace in the Middle East, can now show the way toward democracy in the Middle East.

To promote peace in the broader Middle East, we must confront regimes that continue to harbor terrorists and pursue weapons of mass murder. Syria still allows its territory and parts of Lebanon to be used by terrorists who seek to destroy every chance of peace in the region. You have passed and we are applying the Syrian Accountability Act, and we expect the Syrian Government to end all support for terror and open the door to freedom. Today, Iran remains the world's primary state sponsor of terror, pursuing nuclear weapons while depriving its people of the freedom they seek and deserve. We are working with European allies to make clear to the Iranian regime that it must give up its uranium enrichment program and any plutonium reprocessing and end its support for terror. And to the Iranian people, I say tonight: As you stand for your own liberty, America stands with you.

Our generational commitment to the advance of freedom, especially in the Middle East, is now being tested and honored in Iraq. That country is a vital front in the war on terror, which is why the terrorists have chosen to make a stand there. Our men and women in uniform are fighting terrorists in Iraq so we do not have to face them here at home. And the victory of freedom in Iraq will strengthen a new ally in the war on terror, inspire democratic reformers from Damascus to Tehran, bring more hope and progress to a troubled region, and thereby lift a terrible threat from the lives of our children and grandchildren.

We will succeed because the Iraqi people value their own liberty, as they showed the world last Sunday. Across Iraq, often at great risk, millions of citizens went to the polls and elected 275 men and women to represent them in a new Transitional National Assembly. A young woman in Baghdad told of waking to the sound of mortar fire on election day and wondering if it might be too dangerous to vote. She said, "Hearing those explosions, it occurred to me: The insurgents are weak; they are afraid of democracy; they are losing. So I got my husband and I got my parents, and we all came out and voted together."

Americans recognize that spirit of liberty, because we share it. In any nation, casting your vote is an act of civic responsibility. For millions of Iraqis, it was also an act of personal courage, and they have earned the respect of us all.

One of Iraq's leading democracy and human rights advocates is Safia Taleb al-Suhail. She says of her country, "We were occupied for 35 years by Saddam Hussein. That was the real occupation. Thank you to the American people who paid the cost but, most of all, to the soldiers." Eleven years ago, Safia's father was assassinated by Saddam's intelligence service. Three days ago in Baghdad, Safia was finally able to vote for the leaders of her country, and we are honored that she is with us tonight.

The terrorists and insurgents are violently opposed to democracy and will continue to attack it. Yet the terrorists' most powerful myth is being destroyed. The whole world is seeing that the car bombers and assassins are not only fighting coalition forces; they are trying to destroy the hopes of Iraqis, expressed in free elections. And the whole world now knows that a small group of extremists will not overturn the will of the Iraqi people.

We will succeed in Iraq because Iraqis are determined to fight for their own freedom and to write their own history. As Prime Minister Allawi said in his speech to Congress last September, "Ordinary Iraqis are anxious to shoulder all the security burdens of our country as quickly as possible." That is the natural desire of an independent nation, and it is also the stated mission of our coalition in Iraq. The new political situation in Iraq opens a new phase of our work in that country.

At the recommendation of our commanders on the ground and in consultation with the Iraqi Government, we will increasingly focus our efforts on helping prepare more capable Iraqi security forces, forces with skilled officers and an effective command structure. As those forces become more self-reliant and take on greater security responsibilities, America and its coalition partners will increasingly be in a supporting role. In the end, Iraqis must be able to defend their own country, and we will help that proud new nation secure its liberty.

Recently an Iraqi interpreter said to a reporter, "Tell America not to abandon us." He and all Iraqis can be certain: While our military strategy is adapting to circumstances, our commitment remains firm and unchanging. We are standing for the freedom of our Iraqi friends, and freedom in Iraq will make America safer for generations to come. We will not set an artificial timetable for leaving Iraq, because that would embolden the terrorists and make them believe they can wait us out. We are in Iraq to achieve a result, a country that is democratic, representative of all its people, at peace with its neighbors, and able to defend itself. And when that result is achieved, our men and women serving in Iraq will return home with the honor they have earned.

Right now, Americans in uniform are serving at posts across the world, often taking great risks on my orders. We have given them training and equipment, and they have given us an example of idealism and character that makes every American proud. The volunteers of our military are unrelenting in battle, unwavering in loyalty, unmatched in honor and decency, and every day they're making our Nation more secure. Some of our service men and women have survived terrible injuries, and this grateful country will do everything we can to help them recover. And we have said farewell to some very good men and women who died for our freedom and whose memory this Nation will honor forever.

One name we honor is Marine Corps Sergeant Byron Norwood of Pflugerville, Texas, who was killed during the assault on Fallujah. His mom, Janet, sent me a letter and told me how much Byron loved being a marine and how proud he was to be on the frontline against terror. She wrote, "When Byron was home the last time, I said that I wanted to protect him like I had since he was born. He just hugged me and said, 'You've done your job, Mom. Now it is my turn to protect you.' "

Ladies and gentlemen, with grateful hearts we honor freedom's defenders and our military families, represented here this evening by Sergeant Norwood's mom and dad, Janet and Bill Norwood.

[*At this point, in the First Lady's box, guest Safia Taleb al-Suhail embraced guest Janet Norwood.*]

In these 4 years, Americans have seen the unfolding of large events. We have known times of sorrow and hours of uncertainty and days of victory. In all this history, even when we have disagreed, we have seen threads of purpose that unite us. The attack on freedom in our world has reaffirmed our confidence in freedom's power to change the world. We are all part of a great venture: To extend the promise of freedom in our country, to renew the values that sustain our liberty, and to spread the peace that freedom brings.

As Franklin Roosevelt once reminded Americans, "Each age is a dream that is dying, or one that is coming to birth." And we live in the country where the biggest dreams are born. The abolition of slavery was only a dream until it was fulfilled. The liberation of Europe from fascism was only a dream until it was achieved. The fall of imperial communism was only a dream until, one day, it was accomplished. Our generation has dreams of its own, and we also go forward with confidence. The road of providence is uneven and unpredictable, yet we know where it leads: It leads to freedom.

Thank you, and may God bless America.

NOTE: The President spoke at 9:10 p.m. in the House Chamber of the Capitol. In his remarks, he referred to senior Al Qaida associate Abu Musab Al Zarqawi; Prime Minister Ariel Sharon of Israel; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; former President Saddam Hussein of Iraq; and Prime Minister Ayad Allawi of the Iraqi Interim Government. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks at the National Prayer Breakfast
February 3, 2005

Thank you for the warm welcome. You know, last night was a prayerful occasion. [*Laughter*] I noticed a lot of Members were praying that I would keep my speech short. [*Laughter*] I want to thank you for getting up so early in the morning. You resisted temptation to sleep in. Thanks for having us.

I appreciate Jo Ann Emerson's leadership on this prayer breakfast. I want to thank Elaine Chao for her prayer and for representing my Cabinet, and I want to thank all my Cabinet officers who are here today. I appreciate the leadership of the Congress, Senator Frist and Leader Pelosi, Leader DeLay. I want to thank the Senators who spoke and appreciate the Congresspeople who are on the stage here as well.

I want to thank His Excellency Marc Ravalomanana, from the—Madagascar, the President of that great country, and welcome to our country, Mr. President. *Tambien, mi amigo,* the President of Honduras, Ricardo Maduro, welcome. Glad you're here.

I want to thank Wintley Phipps for his beautiful music. Sergeant Norman, your prayers worked. [*Laughter*] You did a fantastic job. Pretty darn eloquent for a person from Wyoming. [*Laughter*] Don't tell the Vice President. [*Laughter*]

Tony Hall, as you can tell, I obviously made the right choice to send somebody—

really good job. And Janet, thank you for your service as well.

Laura and I are really honored to be here. It's a fabulous moment in our Nation's Capital. This morning reminds us that prayer has always been one of the great equalizers in American life. Here we thank God for his great blessings in one voice, regardless of our backgrounds. We recognize in one another the spark of the Divine that gives all human beings their inherent dignity and worth, regardless of religion.

Through fellowship and prayer, we acknowledge that all power is temporary and must ultimately answer to His purposes. And we know that affirming this truth is particularly appropriate in the heart of a Capital built upon the promise of self-government.

No one understood this better than Abraham Lincoln. In November 1864, after being reelected to his second term, Lincoln declared he would be the most "shallow and self-conceited blockhead" on Earth if he ever thought he could do his job "without the wisdom which comes from God and not from men." Throughout a terrible Civil War, he issued many exhortations to prayer, calling upon the American people to humble themselves before their Maker and to serve all those in need.

Our faith-based institutions display that same spirit of prayer and service in their work every day. Lincoln's call is still heard throughout the land. People of faith have no corner on compassion. But people of faith need compassion if they are to be true to their most cherished beliefs. For prayer means more than presenting God with our plans and desires; prayer also means opening ourselves to God's priorities, especially by hearing the cry of the poor and the less fortunate.

When the tsunamis hit those on the far side of the world, the American Government rightly responded. But the American response is so much more than what our Government agencies did. Look at the list of organizations bringing relief to the people from Indonesia to Sri Lanka. They're full of religious names: Samaritan's Purse, American Jewish World Service, Baptist World Aid, the Catholic Medical Mission Board. They do a superb job delivering relief across the borders and continents and cultures.

Today, millions of people across this Earth get the help they need only because our faith-based institutions live the commandment to "love thy neighbor as thyself." Often, that means remembering the people forgotten or overlooked in a busy world, those in Africa suffering from HIV/AIDS, young girls caught up in the global sex trade, victims of religious persecution.

In these great moral challenges of our times, our churches, synagogues, mosques, and temples are providing the vision that is changing lives. I've seen some of their miracles up close. Last June, I met Veronica Braewell, a 20-year-old refugee from Liberia. As a 13-year-old child, Veronica witnessed armed men killing children in horrific ways. As she fled this madness, Veronica left—was left for dead atop a pile of bodies, until her grandmother found her. In August 2003, Catholic Social Agency helped resettle her in Pennsylvania, where Veronica is now completing the circle of compassion by working in a home for elderly in Bethlehem, Pennsylvania, and studying to become a certified nursing assistant.

When Veronica told me of her story, it was through the kind of tears no young woman should ever know. And when she finished, she dried her eyes and said, "Thank you, Mr. President, for my freedom." But I told her, it wasn't me she needed to thank; she needed to thank the good hearts of the United States of America. The America that embraced Veronica would not be possible without the prayer that drives and leads and sustains our armies of compassion.

I thank you for the fine tradition you continue here today and hope that as a

nation we will never be too proud to commend our cares to Providence and trust in the goodness of His plans.

God bless.

NOTE: The President spoke at 8:59 a.m. at the Washington Hilton Hotel. In his remarks, he referred to speaker and entertainer Wintley Phipps; Sgt. Douglas Norman, USA, 3d U.S. Infantry Regiment; and Ambassador Tony P. Hall, U.S. Mission to United Nations Agencies for Food and Agriculture, and his wife, Janet.

Remarks in a Discussion on Strengthening Social Security in Fargo, North Dakota
February 3, 2005

The President. Thanks for coming out. Please be seated. Thanks for coming. The Governor told me—he said, "You come over here to North Dakota, we might be able to get a few people around to discuss Social Security." I said, "Okay, I'll come." Governor, looks like you got more than a few.

I'm honored so many came out to hear what I think you're going to find to be an interesting discussion about a very important issue. It's an issue that relates to our children's future. It's an issue that will determine whether or not those of us in elective office have got the courage and the wisdom to solve problems now, and that's Social Security.

But before I talk about that, I do want to thank our host, Joe Chapman, and North Dakota State University for welcoming us here. I'm glad a lot of the college kids are here because we're talking about something that's going to affect your life. That's what we're here to talk about, and I want you to pay attention. [*Laughter*] Something I didn't necessarily do when I was in college. [*Laughter*] I know the Bison women's basketball team is playing pretty well—after all, undefeated. Congratulations.

I want to thank the first lady of North Dakota for being here. Mikey, welcome. Thanks for coming. I'm proud of your—proud of the job you're doing. Governor Hoeven is doing a fine job as well, and like me, he married well.

I'm sorry Laura is not here.

Audience members. Aw-w-w!

The President. Yes, that's generally the reaction, which is like—[*laughter*]—why didn't you send her and you stay at home? I get it. [*Laughter*] But she is a unbelievably beautiful woman, great wife, terrific First Lady.

I was proud that the Governor was at the State of the Union Address last night, and I was proud that he flew back from Washington with me, and I really enjoyed flying back as well with Senator Kent Conrad. I'm proud you're here, Senator. Thank you for coming. I enjoyed our visit. And Senator Conrad asked permission if he could bring a Senator with him from another State. I said, "Fine, who is it?" And he said, "Well, that would be Senator Conrad Burns from Montana." I said, "Bring him on." Welcome, Senator. I'm glad you're here.

After here, we're going to Montana. Then I'm going to Nebraska. Then I'm going to Arkansas, and then I'm going to Florida. See, I think it's important to get out amongst the people and talk about important issues. And that's what I'm doing. And Congressman Denny Rehberg is with us from Montana as well. Denny, thank you for joining us, proud that you're here.

Guess what we spent a lot of time talking about with the Senator—both Senators and the Congressman and the Governor. We spent time talking about beef. We spent time talking about the cattle men and women of North Dakota and Montana to make sure people can make—we spent time talking about rural health care, to make sure that people can find health care in America.

Let me tell you one thing we need to do to make sure people in rural America can find health care, and that's to do something about these junk lawsuits that are running good doctors out of practice. Lawsuit after lawsuit after lawsuit is running up the cost of your health care, and it's making it hard for people to find a good doctor. I met too many women who are worried about their pregnancy because the ob-gyn they had been using is no longer in practice.

We have a problem. I used to think these problems could be solved at the State level, but I recognized that these frivolous lawsuits are running up the cost of medicine, and therefore, they're affecting Federal budgets. I believe the medical liability crisis is a national problem that requires a national solution, and Congress needs to get a good bill to my desk this year.

We also spent some time talking about energy. We've been debating energy for 4 years in the United States Congress. Now is the time to quit debating and get something done. And that means good conservation. It means renewable sources of energy like biodiesel and ethanol. It means clean, safe nuclear power. It means an energy plan that will make us less dependent on foreign sources of energy.

I'll tell you what's going to be a great day for a President—when somebody comes in with the crop report and says that the amount of corn is up and therefore, we're less dependent on foreign sources of energy. I believe it's possible. And I believe it's a wise use of taxpayers' money to explore ways to develop energy here at home that's renewable, clean, and safe.

I want to thank your Lieutenant Governor Jack Dalrymple and Betsy for being with us. Governor, thanks for coming. Betsy, I appreciate you being out at the airport. I want to thank the attorney general for being here today. Mr. Attorney General, thanks for coming. I want to thank the leaders of the house and the senate who have joined us.

I appreciate my friend Ed Schafer and Nancy—the former Governor of North Dakota and former first lady. We're both members of the ex-Governors club. [*Laughter*] Tired old guys who can't run anymore. [*Laughter*] But I fondly remember the Schafers during our tenures as Governors of our respective States. It's great to see you all.

I met Fran Rickers today at the airport. She was out there, standing right there when I came off the airplane, on Air Force One. Fran is a volunteer at the Veterans Center. And the reason I bring that up is, as I mentioned last night in the speech, one of the great values of America is compassion. And one of the great strengths of America is the fact that thousands of our citizens volunteer on a daily basis. It doesn't even require a Federal law, by the way. [*Laughter*] They do it out of the goodness of their heart. They do it because they're answering a call to love a neighbor just like they would like to be loved themselves.

If any of the youngsters who are here are interested in how you can serve our country, find somebody whose heart needs healing, find somebody who's hungry, find somebody who is looking for shelter and make that person's life better. You see, you can serve America and change our country one heart, one soul, one conscience at a time.

Fran, I want to thank you for setting such a good example by volunteering your time at the Veterans Center.

Before I get to Social Security, I do want to talk about how amazing these past couple of months have been in the history of our world. I want the youngsters here to think about what has happened in such a brief period of time. First, there were elections in Afghanistan. Now, that's—[*applause*]—are you from Afghanistan? From? You're from Iraq?

Audience member. [*Inaudible*]

The President. Yes—thank you. Thank you. Okay, wait a minute, you got ahead of the story. [*Laughter*] You got me to Iraq before we even got out of Afghanistan. [*Laughter*] You see, Afghanistan used to be a training center, a safe haven for Al Qaida. That's where they plotted the attacks on America.

So I set out a doctrine that said, "If you harbor a terrorist, you're equally as guilty as the terrorist." We enforced the doctrine to protect ourselves. And by doing so, we removed the Taliban from power. And when that happened, it gave the chance for the Afghan citizens to rise up and vote and to develop a democracy. And it happened. Millions of people voted.

There was a vote in the Ukraine that elected a new President. There was a vote in the Palestinian Territories that elected Abu Abbas [Abu Mazen]* as the leader. And then, as you know, last Sunday—I'm getting to you—[*laughter*]—the people of Iraq, when given a chance, went to the polls and said, "We reject terrorism, and we love freedom." That's what they said.

And that matters. Let me tell you why it matters. It matters because free societies are peaceful societies. It matters because in the long run, as freedom spreads, our children and grandchildren will more likely grow up in a peaceful world.

This good-hearted country of ours longs for peace. We will do everything to defend ourselves against the threats of this era, and as we do so, we will spread freedom, because we know that freedom leads to peace, and that's what we want.

The interesting—the lessons we should take away from what happened in the last 4 months is that deep within everybody's soul is the desire to be free. It doesn't matter where you're from or the nature of your religion, freedom is universal. Freedom is God's gift to every single person in this world. And if given the chance, people will express their desire to be free and take great risks to do so, like you saw in Iraq.

Last night there was a touching moment when the mom and the voter hugged each other. It was a sincere expression of compassion and appreciation by a woman whose dad had been—whose assassination had been ordered by Saddam Hussein, who now had finally been given a chance to vote. It was an indication to me—and I think our country—that the Iraqi people so appreciate the sacrifices, especially those by our military and the military families, in order to free them.

These are historic times. We're living in historic times. Freedom——

Audience member. Mr. President, thank you for liberating Iraq!

The President. You're welcome.

Audience member. You are right! They are wrong! We are—all the way with you!

The President. Thank you, sir. Nothing better than a little free speech to liven up the crowd, you know. Very well-spoken. Got it. Got the message. [*Laughter*]

These are historic times, and the United States of America will continue to lead with friends and allies by our side. I set a goal in my Inaugural speech that said, over the generations, over time, the free world must work to end tyranny. If you believe that freedom is the Almighty's gift to every soul, it makes sense to assume the duty to work with others to spread freedom so everybody, every soul can be free. That's what I believe the role of America must be. That's the call of our generation. And in

* White House correction.

so doing, we'll leave a peaceful world behind for our children and grandchildren.

Thank you for letting me share that with you. I'm—as you can tell, I'm upbeat about where we're headed.

And so the subject at hand is Social Security. Now, Social Security worked. We're going to talk to a soul who will tell you how important Social Security is to her and her family. Not yet. [*Laughter*] Pretty soon. [*Laughter*] And it's been important, and it's worked. But the problem is, Social Security has changed dramatically since it was created. You see, when it was created, most people's life expectancy was, what, around 60 years old, I guess, and today, people are living longer.

There was—in 1950, there was 16 workers, as this chart will show you, paying for every beneficiary. In other words, there's a lot of workers putting taxes in to pay for the benefits promised. That made it easy to fund the system. Today, there are about 3.3 workers. When the college kids here get older, there's going to be two workers.

The benefit structure has gone up over time. And so you've got fewer workers paying for more retirees who are living longer—greater benefits. And if you start kind of thinking about the math there, you begin to realize we've got a problem. In other words, there's not enough money coming into the system to pay for the promises for all those who are retiring, like baby boomers like me. There's a bunch of us getting ready to retire. We're living longer. We've been promised greater benefits, and there's few people—fewer people writing the check. In other words, the system has changed.

Now, if you're retired or near retirement, you don't have a thing to worry about. The Social Security trust is solvent. As I said last night and I will continue to say, for those of you who have received your check or about to receive a check, not one thing will change. That's a fact. I fully understand that oftentimes when they stress the Social Security issue, people try to scare you about it, saying, "If old George W. has his way, you're not going to get a dime." Well, that's not the way it's going to work. The truth of the matter is, you're going to get your checks if you're—if you're retired or near retirement. It's just a fact.

The problem comes from younger folks. That's the problem. The math doesn't work. As a matter of fact, as you can see from this chart, starting in the year 2018, more money goes out of Social Security than comes in. Right now, it's the other way around. More money is coming in than is going out. But a bunch of baby boomers who are going to live longer and have been promised greater benefits are fixing to retire. And so the system goes into the red. And it goes into the red—that means negative, that means losing money—quite dramatically. In the year 2027, it will be $200 billion in the red—$200 billion for 1 year alone. And in 3032, it's like $300 billion. And in 20—I mean 2032. And in 2042, it's bust.

Now, for people who have been elected, I guess that seems like a long time down the road. If you've got a 2-year horizon, you're only thinking about 2 years—or 4 years, in my case. But I believe the role of a President and I believe the role of a Congress is to confront problems and not pass them on to future generations. I believe that it's a problem when you're $200 billion a year short. Now, what does that mean? It means you either have to run up taxes, cut benefits, cut programs, or borrow money. That's what it means—in big ways.

And so I went to Congress last night and said, "I see a problem." Some of them doesn't see—didn't see the problem, evidently. A lot of them do. A lot of really good people on both sides of the aisle recognize we have a problem. I'm going to spend the next couple of days going around the country explaining to people, as clearly as I can, the problem, because I expect

people in Congress, when they see a problem, to then come up with solutions.

And so last night I said, "All options are on the table except for running up payroll taxes." I said, "Everybody—all different—all different ideas as to how to solve the problem are on the table." And that's important for Members of Congress to hear. In other words, we're not going to play politics with the issue. We're going to say, "If you've got a good idea, come forth with your idea, because now is the time to put partisanship aside and focus on saving Social Security for young workers."

I put out an idea last night that I think is important. It's a novel way of saying to young workers, "We understand whose money we're spending," and two, "We want you to be able to have more security in your retirement." And that is to allow younger workers to take some of their own payroll taxes and set aside—set it aside in what's called a personal retirement account, a personal retirement account that will earn a better rate of return than the current Social Security trust earns, a personal retirement account which you will call your own, a personal retirement account that can be only invested in conservative stocks and bonds, a conservative account that you can't withdraw all your money upon retirement. But it's your own account, and it grows. And it supplements Social Security. In other words, you'll get a Social Security check, but you'll also be able to withdraw money from your own personal retirement account to supplement that money.

And why it's a good deal for younger workers is, is because it compounds at a rate of interest faster than the money inside the Social Security trust. You start setting aside money at a young age; it grows over time. It's your money. It's money that you can decide to leave to whomever you want. It's money that the Government can never take away. It's an interesting idea to make sure the Social Security beneficiaries of the future get as close to that which the Government has possible—has guaranteed is possible—has promised as possible, but it's a new idea to encourage ownership in our society.

You know, Federal employees have this under the Thrift Savings Plan, this kind of idea. If it's good enough for Federal employees, it ought to be good enough for workers out there working every single day, it seems like to me.

Now, I've heard all of the complaints, and you'll hear a lot more—how this is going to ruin Social Security. Forget it. It's going to make it stronger. We're going to phase it in so that we can be more fiscally responsible with the budget. And I want to work with Congress on the idea. I mean, I think it makes sense to put out new ideas for an old and important system to make sure it works. And that's exactly what we are doing, and I did last night. I want the people, as I travel around this country, to know, one, there's a problem; two, I'm willing to work with members of both parties to come up with a solution; and three, I've got an innovative idea as to how to benefit the younger workers in America.

And I've got some people up here on the stage that we're going to discuss this issue with right now. Some of them know a lot more about it than I do. It's kind of a hard thing for me to admit. [*Laughter*] One of them, Jeffrey Brown—why would I say that you know more about it than I do? It's probably true, but beside the fact that it's true, like, what do you do?

Jeffrey R. Brown. Well, you've just convinced me that you do know as much as I do.

The President. I don't know.

Dr. Brown. I'm a professor of economics and finance at the University of Illinois.

The President. Good, yes. We won't hold that against you. Now, get started. [*Laughter*]

[*At this point, Dr. Brown, assistant professor, Department of Finance, University*

of Illinois at Urbana-Champaign, Champaign, IL, made brief remarks.]

The President. Well, it doesn't sound like a long-term problem to me. Thirteen years seems like a pretty short time to me. It's like right around the corner.

Dr. Brown. That's right. And the key here is that we have to act soon, because if we act soon, then we can phase in any changes gradually. We can give people the opportunity to build up these accounts. If we wait until the trust fund runs out of money, there are no good choices left except to cut benefits or raise taxes at that point.

The President. See, I think it's pretty—I hope you're beginning to get a sense for the immediacy of the problem. Sometimes—again, I'm going to say this a lot over the next month: If you're receiving a Social Security check, you have no problem. That's important for people to hear loud and clear. I know there's some folks that are probably nervous when they hear the President talking about changing Social Security. I know that's the case. I've run for office twice to be the President, and people got nervous when I said we needed to do something about Social Security. You have nothing to worry about. We're talking about younger workers who are coming up have got a lot to worry about because of baby boomers like me—not those who have already retired. It's the bulge of us who are fixing to retire. That's Texas for going to retire. [*Laughter*]

What else do you know? [*Laughter*]

[*Dr. Brown made further remarks.*]

The President. They told me—and tell me if I'm right on this, Jeff—that every year we wait, the problem costs $600 billion more.

Dr. Brown. That's right.

The President. Is that an accurate statement?

Dr. Brown. This is a number that the Social Security actuaries have put out. And basically what's happening is, every year we wait, another year of those surpluses is gone and more years of deficits lie ahead of us.

The President. Do you have any—if you don't like them, go ahead and say it, but do you have any problems with the personal retirement accounts?

Dr. Brown. Absolutely not. They offer——

The President. I was hoping that would be the answer. [*Laughter*] See if you can explain them better than I can explain them. I mean, compounding rate of interest is an important concept when it comes to the growth of money.

[*Dr. Brown made further remarks.*]

The President. I know some of you are saying, "Well, gosh, if I put my money into the stock market, what happens if the market goes down the year before I retire?" There are instruments that are devised or available—will be available for younger workers when they get ready to retire—to invest to ensure against a downturn of the market. In other words, it's a different kind of instrument. You still get a better rate than you would in the current trust, but it's a way to make sure that the money isn't lost all at once. But on the other hand, history shows that over any 17-year period of time, you don't lose money in the market on safe, conservative stocks and bonds. It is a fact of life. It is a way that our markets have worked in the past.

And it's also important to know that when you have your own personal account, you can't withdraw all your money. In other words, there will be a withdrawal plan that will complement your Social Security check.

These are all questions I know people are going to have, and I have the obligation to travel the country, like I'm doing, answering as many of the questions that I possibly can answer.

You did a fine job, Jeff.

Dr. Brown. Thank you, sir.

The President. Are you ready, Mary?

Mary Bond. I'm ready.

The President. Thanks for coming. Where do you live?

Mrs. Bond. I live in Walcott, North Dakota. [*Applause*]

The President. Walcott, yes. A lot of your fellow townsmen are here today, it sounds like. [*Laughter*] Perhaps the whole town. [*Laughter*]

Mrs. Bond. There are about 200 people.

The President. Two hundred people in Walcott? That's 3 times bigger than Crawford. [*Laughter*] I think. Anyway——

Mrs. Bond. Can I please say something?

The President. Yes—you've got the mike. [*Laughter*] Yes, ma'am.

Mrs. Bond. I just want you to know what an honor it is to have you here today.

The President. Thank you. [*Applause*] I'm thrilled to be here. Thank you. Okay, wait, wait, we've got work to do. Thank you all. Thank you all very much. I'm thrilled to be here too.

Mrs. Bond. And one more thing. You and Laura—or Mrs. Bush——

The President. Laura is fine.

Mrs. Bond. Okay. [*Laughter*] You have brought dignity and honor back to the White House. Thank you.

The President. Thank you. [*Applause*] Thank you all. Okay, okay, Mary. You've done a fine job of firing up the crowd. [*Laughter*]

Mrs. Bond. We're running out of time.

The President. No, we're not running out of time. [*Laughter*] I appreciate those kind words. You're here to discuss Social Security.

[*Mrs. Bond made further remarks.*]

The President. Let me stop there.

Mrs. Bond. Okay. [*Laughter*]

The President. See, it's very important that when Mary Bond hears us discussing the system is going bust in 2042 that she recognizes the system isn't going broke for her. She's fine. It's these guys right here in the front—yes, you guys—not fine. [*Laughter*] You got a problem. Thanks for coming to listen, by the way. Now, get back to the library. [*Laughter*]

What else did you want to say? The reason Mary is here is, again, to make the point—and I don't believe we can make it enough as we discuss this issue—that somebody who says, "Gosh, the Social Security system is very important for me," recognizes that if you've retired or near retirement—you fall in the near retirement category——

Mrs. Bond. Pretty close.

The President. Have you retired yet?

Mrs. Bond. No.

The President. Then you're near retirement. [*Laughter*]

Mrs. Bond. Sixty.

The President. No, I'm not asking your age. [*Laughter*] I'm smarter than that, to ask the age. [*Laughter*] How old are you? No—[*laughter*].

Mrs. Bond. Sixty. [*Laughter*]

The President. So you were going to say something else.

Mrs. Bond. Well, I do have a concern, because a few years ago, my sister-in-law passed away—we're the same age—and she was about 57. And she had worked all of her life. She had a gift shop. She was a realtor and several other jobs. She paid into Social Security all of her life. And then when she passed away, the Social Security was gone. It would be wonderful if she could will that to her husband or her kids. Her husband now is retired and has some health concerns, and he could use that money.

The President. Well, it doesn't work that way. Now, what the personal retirement account would do was allow it to work that way. See, we're beginning to change a portion of Social Security to not only that which was in the current system but as well—a part of the system, but it's now a new owner. Right now your money goes in and it flows directly out to somebody who is receiving benefits. The new way of looking at it is, some of your money would go in and go out to paying benefits; some

of your money would stay in your own account. And that is that portion that you can pass on to whomever you want. If it's not spent in your retirement, you get to decide. After all, it's your money.

It's a concept that many are becoming accustomed to in our country through private pension plans, or Federal employees are used to what's called the Thrift Savings Plan—same concept, conservative mix of investment vehicles, and to get a better rate of return than that which is being earned, in this case, inside the Social Security trust. Certain rules that will prevent gouging by Wall Street so that the fee structure is reasonable and fair and—withdrawal rules. Obviously, you don't want somebody to either, one, invest their money in the race track or the lottery and, two, upon retirement, take it all out and take it to Vegas. As much as I—nothing against Vegas, except we don't want the retirement things all gambled away. We want retirement funds to be around for retirement purposes.

And so the system that we're talking about would enable your sister-in-law to do that. Thanks for coming. You did a heck of a job.

Mrs. Bond. Thank you.

The President. You bet.

All right, Tricia Traynor, welcome.

Maj. Tricia Traynor, USAFR. Welcome.

The President. Thank you. You are married? For how long?

Maj. Traynor. Three months—almost 3 months. My husband, Dan——

The President. Where is he?

Maj. Traynor. He is over to the right, waving his hand.

The President. There he is. Fine-looking man. That a boy, Dan. Interesting about Tricia is she is a——

Maj. Traynor. Major in the Air Force Reserve.

The President. There you go. Have you been overseas yet?

Maj. Traynor. Yes. I was in the Middle East for 6 months in 2003, for Operation Iraqi Freedom.

The President. Good. Thanks for serving. Your Nation is grateful, but I—and equally as grateful are the good folks from Iraq that are here today. Thanks for being there.

So tell me what's on your mind about Social Security. You're young.

Maj. Traynor. We're in our thirties.

The President. Yes, you fall in the category of those who should be worried about whether or not Congress and the President has got the will to act.

Maj. Traynor. We'd like to make sure that the money we are investing in Social Security now will be there 30 years from now, 40 years from now.

The President. Right. Well, don't look at that chart. [*Laughter*] Whatever you do, don't look over your left shoulder—[*laughter*]—and see how much money—because it's not going to be there. So therefore, you're interested—let me ask you something. So you've heard about personal retirement accounts. Give me—just tell the folks here what you thought when you heard it. I mean, people need to kind of get a sense for how souls such as yourself, an educated person, obviously interested in the future, worried about your and Dan's life, think about a new concept for Social Security.

Maj. Traynor. Mr. President, it gives us hope that somebody is willing to address the issue. It's too easy to just push it down the road, and it's better to prevent the crisis before the crisis takes place.

The President. That's the first threshold issue. Thank you. You know what I found—yes, you want to come back in?

[*Mrs. Bond made further remarks.*]

The President. You probably think I hired her or something. [*Laughter*] Did you talk to my mother this morning? [*Laughter*] Thanks.

Look, here's the thing: The threshold question is whether there's a problem that needs to be solved. And if there is, then who can come up with solutions that work.

And so thank you for saying that. I—it's in my nature to confront problems. And I really enjoyed giving the speech last night and trying to do the very best I could to kind of educate people, is to explain as rationally as possible why we have a problem. And the major is typical of many 30-year-old citizens around. In the course of two campaigns, I campaigned on this issue. Some were saying, "Oh, don't talk about the issue. It's the third rail of American politics. If you touch it, you know, you become politically electrocuted." [*Laughter*]

I don't—I believe that the whole issue has shifted over time. Once older citizens are sure they're going to get their check—and I assure you you're going to get your check—that younger workers begin to—will have a voice in deciding how this issue turns out. Once people say, "Well, there is a problem. What are you going to do about it?"—that's what the major just said. And so, Major, personal accounts, any feel for that at all?

Maj. Traynor. The Thrift Savings Plans were opened up to the military just a couple years ago.

The President. You're in one?

Maj. Traynor. I am in one. I participate. What it is, is it's a safe investment, and it allows me to take a portion of the income I'm earning and put it away to save it for the future. And I'm happy with that, and I like the idea of sharing that with the American public and not just limiting it to Federal employees.

The President. Federal employees—see, she's in a Thrift Savings Plan very similar—in other words, we're not inventing something new. What's new is that it would be associated with a retirement through Social Security. It's not new. It's already being used. It's a plan that is—that Federal employees are able to take advantage of. The way we proposed the plan is that you could put $1,000—up to 4 percent of your income, which is ever less—in your account. And over time, the 1,000 grows. Is that right—up to 1,000, 4 percent, which ever is less? Yes, I think that's right. It better be right. [*Laughter*]

So in other words, if you're making 90,000, you'll eventually be able to put $3,600 a year away in a personal account. But it starts at 1,000 and phases in over time, in order to make sure that the—is fiscally responsible. So I don't want to know your income, but you could start with 1,000, and over time it grows. And as interest compounds, Tricia and her husband would have a nice nest egg to complement that which would be coming out of Social Security.

Is that the way you see it?

Maj. Traynor. Yes.

The President. That's the way it's going to be, if only we can get Congress to vote it in.

All right, Paul. Paul Thomas.

Paul Thomas. Yes, Mr. President.

The President. Where are you from?

Mr. Thomas. I'm from Velva, North Dakota, which is very close to Karlsruhe, North Dakota.

The President. That's good. I was just thinking the same thing myself. [*Laughter*] What do you do?

Mr. Thomas. I—just this past March, my wife, Karen, of 5½ years, and my son Jonathan, 4, and Michael, 2, returned to our family farm and took over that. We're the fourth generation of Thomases to farm that.

The President. Fabulous. Sounds like a North Dakota tradition to me. One thing, before we get in—I've got another issue I want to drop out there. In order to make sure that Paul and future Pauls are able to stay on the farm, we need to get rid of the death tax once and for all. It's being phased out. It's being phased out, but it pops back up in 2011. It's going to make for some very interesting estate planning in 2010, if you get my drift. [*Laughter*] Like you think it's gone, and then it comes back. Anyway, we'll worry about that at another time.

[*Mr. Thomas, owner/manager, Thomas Grain Farms, Velva, ND, made further remarks.*]

The President. Yes, well, thank you, Paul. Look, here's an interesting—isn't it interesting. I wonder if 30 years ago, we would be having the same conversation. I don't think so. A lot has changed. There's a lot of more—there's a lot more awareness among younger Americans about what it means to manage your own retirement account. After all, it's happening more and more in our society; 401(k)s have become a part of how people think. You've just heard from two younger Americans who are now saying, "Give me a chance to manage my own money. I feel more secure if I can see that money"—in other words, if you own it. I strongly believe in an ownership society. I want more people owning their home, own their own business, owning and managing their own health care account, and owning and managing their retirement account. I think it makes America a better place.

What do you farm?

Mr. Thomas. We produce a number of crops, principally wheat, sunflowers, peas and lentils, granola and barley—quite a few.

The President. You sure do, yes. You selling any of it overseas?

Mr. Thomas. Well, they eventually make it over there. We have—in our farm, we had also diversified into some specific IP crops that went to specific customers where we were able to get some better prices for them.

The President. Yes, one of the things I need to do over the next 4 years is to continue to open up markets. The reason why is North Dakota farmers are real good at what they do, and therefore, if you're good at what you do, you ought to have as many markets available for your product as possible. And so I appreciate you doing that. And same for cattlemen too, by the way. We want our beef going all over the world. There's great beef here in America, and people ought to be eating it—a lot of them.

Today, I hope you get a sense of, one, there is a problem. If you're an older American, you have no problem. You're in good shape. You don't even look older to me. [*Laughter*] Two, if you're a young person, demand that Congress at least address the issue head on and not pass it down.

Secondly, there are some interesting solutions on the table. All of them are on the table as far as I'm concerned. People have made interesting—put forth interesting ideas, and I just want the good people of North Dakota to listen. It doesn't matter to me whether it's a Democrat idea, a Republican idea. If it's a good idea to make this system work, I'll listen and work with them. I'll work with people who—and also, I hope you can tell I'm willing to put out some ideas of my own. I believe part of the role of a leader is to say, "Well, there is a problem, and by the way, here are some ideas that make it work." And I also want you to know that I'm going to travel our country speaking as plainly as I can about a problem that I see, and expecting—because I believe, I truly believe that the American people can help decide an issue in the Halls of Congress. It's what a democracy does. When the people speak, the elected officials listen.

That's what you're going to find out in Iraq, by the way. That's why, ultimately, democratic societies are peaceful societies—because most people want peace. Moms and dads from all cultures want to raise their child in a peaceful environment. Moms and dads of all cultures believe in a child's education and believe in compassion and don't want war for their children.

And so representative government is one that responds to the people, and I believe when the people speak clearly on this issue, when they recognize there's a problem, they're going to say to the Congress, we expect a solution to make sure that younger

Americans have got a retirement system that is viable in the years to come.

And so you're witnessing step one of my—of what's going to be a series of trips around our great land. I kind of want to tell you something, though. Getting out of Washington is healthy, and getting out amongst the people is invigorating, and I want to thank you for coming out to say hello.

May God bless you all.

NOTE: The President spoke at 11:33 a.m. in the Bison Sports Arena at North Dakota State University. In his remarks, he referred to Gov. John Hoeven of North Dakota and his wife, Mical "Mikey"; Joseph A. Chapman, president, North Dakota State University; Lt. Gov. Jack Dalrymple of North Dakota and his wife, Betsy; North Dakota State Attorney General Wayne Stenehjem; former Gov. Edward T. Schafer of North Dakota and his wife, Nancy Jones Schafer; President Viktor Yushchenko of Ukraine; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; former President Saddam Hussein of Iraq; and Janet Norwood, mother of Sgt. Byron Norwood, USMC, who was killed in Iraq on November 13, 2004, and Iraqi citizen and political activist Safia Taleb al-Suhail, both of whom were guests of the First Lady at the President's State of the Union Address on February 2.

Remarks in a Discussion on Strengthening Social Security and a Question-and-Answer Session in Great Falls, Montana
February 3, 2005

The President. Thank you all for coming. Thank you all for being here. Go ahead and have a seat. Thank you. Nice to be in the part of the world where the cowboy hats outnumber the ties. Thanks for coming. Gosh, it's wonderful to be back in Montana. What a fabulous State, full of really decent, honorable people.

Conrad, thanks for introducing me. I'm glad you didn't auction me off. [*Laughter*] Doing a fine job in the United States Senate, and I'm proud to call you friend. Thank you very much, sir.

And I want to thank Max Baucus for being here. We have worked a lot together in 4 years. You know, we've confronted a lot of things in this country. We've confronted a recession and confronted the need to get this economy growing. And Max worked hard with the administration to cut taxes and open up markets. And I appreciate working with you, Max. It's been a lot of fun. We got more work to do.

We're here to talk about an issue, after a while, that's going to remind us we got a lot of work to do if we're going to do our duties as public servants. But Max, thank you. Denny Rehberg, thank you, friend, for coming. I'm honored you're here—proud of the United States Congressman from the great State of Montana—and Jan.

The Governor met me at the airport. The Governor is here. Governor, thank you for coming. I'm proud you're here. One of these days you're going to join the same club as me and Judy and Marc Racicot—that's the ex-Governors club. But right now, you may have the best job in America, being the Governor of a great State. So I'm proud you're here. Lieutenant Governor is with us today. We got a lot of other officials—secretary of State—thanks for coming.

You know, we're flying over on Air Force One, and guess what Burns and Rehberg—all they wanted to talk about was cattle—

[*laughter*]—Montana beef. And that's an important subject because it's part of how to make sure our economy continues to grow. They kept asking, "Are you talking to markets overseas to get the Montana beef into those markets?" I said, "You bet I am." And we'll continue to do so.

One of the reasons I worked with Max on free trade is because I believe when we open up markets for products, U.S. products, Montana products, people are going to more likely be able to find a job. We want to be selling stuff you grow here and stuff you produce here all around the world. And so I want to tell Max and Denny and Conrad, we're going to still be opening up markets.

They also had a few other things on their mind. They wanted to talk about energy. Last night I said to the United States Congress—I said we have been debating energy long enough. It is time to get a sound energy plan to my desk so we can become less dependent on foreign sources of energy. People in Montana know something about energy. I know that.

They said also, "Make sure you keep in mind the needs of the rural health—hospitals and docs." You've got some rural issues here in Montana because you've got a lot of land—[*laughter*]—and not a lot of people. [*Laughter*] That's the way a lot of folks probably want to keep it too, I suspect.

If you want to have health care available and affordable, we've got to do something about these lawsuits that are running good doctors out of practice. We've got a problem in that these lawsuits are making it costly for docs to stay in business and are hurting the Federal budget too. When you're afraid of getting sued, you practice defensive medicine. In other words, you prescribe more than you need to, just in case you have to go to a court of law. And that runs up the cost of Medicare, Medicaid, veterans benefits. So I've come to the conclusion that the medical liability issue is a national problem that requires a national solution, and I call upon Congress to pass real, meaningful medical liability reform.

Before we talk about Social Security, I do want to talk a little bit about the amazing times we're living in. Just think about what has happened in the last 4 months. There was an election in Afghanistan. Millions—millions—of people voted for a leader, voted for a President for the first time in 5,000 years. I don't know who's counting, but that's a lot, you know. I mean, it's an amazing story, when you think about it. It wasn't all that long ago that the Taliban was providing safe haven to Al Qaida in Afghanistan, and that's where they plotted and trained. That's why we went in, to rout them out.

We said if you harbor a terrorist, you're equally as guilty as a terrorist. The doctrine still stands. And the reason the doctrine still stands is because there's an enemy that still hates what we stand for. We will stay on the offense. No matter where they hide, where they run, the United States of America and coalition forces will be after them to keep us safe.

That is our duty. That's the responsibility of the Federal Government. And I want to thank those who wear our uniform for serving this great country of ours. But the lesson of Afghanistan should remind us we've got a greater force at our disposal than just our military, and that is our belief in the ability of freedom to change societies.

And we saw it. The high school students and college students here are watching some amazing history unfold. Think about what you've seen. You saw people vote in Afghanistan to elect a President. You saw people vote in the Ukraine to elect a President. You saw people vote in the Palestinian Territories to elect Abu Abbas [Abu Mazen].* And you saw last Sunday some incredibly brave people in Iraq defy the

* White House correction.

terrorists and cast their ballots by the millions, because of freedom.

Freedom is powerful. Freedom is incredibly powerful. I believe that freedom is embedded in everybody's soul. That's what I believe. I believe that given a chance, people will vote, and people will adhere to the rules of self-government. It's not easy in parts of the world, though, where there's terrorists and tyrants trying to stop the march of freedom. And the reason they are, and the reason they're trying to stop the march of freedom is because they think the exact opposite. They believe in control of people's lives. They don't believe in freedom of religion. They don't believe in freedom of speech. They don't believe in freedom of the press. They don't believe in freedom, period. And we do. That's why we're still a target, but that's why we'll prevail in the long run, because deep in everybody's soul is that deep desire. And you know why I believe it's deep in everybody's soul? Because I believe it's the Almighty God's gift to every soul on the face of the Earth.

You about ready, Leo? Let me say one other thing. They asked me—you know, I've been asked, and they say, "Is there a timetable of withdrawal from Iraq?" Here's the answer to that. You don't set timetables. You don't want the enemy to say, "Okay, we'll just wait them out." The timetable is, as soon as possible. And it's going to be based upon the willingness and the capacity of the Iraqi troops to fight the enemy. And so our mission—our mission is to provide training and command structure and officer training to the Iraqis so they can defend their own freedom. That's what they want to do. I talk to their leadership all the time. And like any independent free country, they want to defend themselves, and our job is to help them defend themselves. And when they do, and when they're ready, our troops will come home with the honor they have earned.

And as freedom spreads in parts of the world that have not known freedom, our children and grandchildren will more likely grow up in peace. And that's what we want. We want to spread the peace.

Let me talk about Social Security. You know, people say, "Gosh, that's a pretty tough issue to be bringing up. We've got a war to fight. Why are you bringing up Social Security?" Here's why: The job of the President is to confront problems, not to pass them on to future generations or future Presidents. That's the way Montana people think: If you see a problem, go fix it. Don't theorize, don't pontificate, but fix it. And so the question is, do we have a problem?

First of all, let me explain why I think we—I know we have a problem. When Social Security was designed, there were 16 workers for every beneficiary in 1950—actually, designed in the thirties. In 1950, there were 16 workers for every beneficiary. That meant it was a lot easier to afford that which the Government promised. When you've got 16 people paying in for one person, it—you can see why the system was solvent.

What's happened since the design of the system, however, is that people are living longer, thankfully. [*Laughter*] That's good news. [*Laughter*] What else is happening since the system was designed is we had what's called the baby boomers. That would be me, Baucus, others, you know—[*laughter*]—people whose hair is getting grayer on a regular basis. And we're fixing to retire in big numbers. So you're living longer and you've got bigger—you've got big numbers retiring and fewer workers paying into the system, 3.3 workers per beneficiary. Plus, Congress over the years has promised an increase of benefits. So think about the math: Fewer people paying into the system, more people living longer, more people retiring, for greater benefits.

Now, that is—and because Social Security is a pay-as-you-go system, there's not a great big trust of money. The money that goes in from your paycheck goes out to the beneficiaries. That's how it works.

And so, obviously, as the demand for money increases as a result of more people retiring and people living longer and benefits going up, more has to come in.

Now, if you look at this chart up there, in 2018 the Social Security system goes negative. That means more money is going out than is coming into the system. And every year after that, as you can see, the cash deficit—that is, the money going out is greater than the money coming in—increases. In 2027, it's about $200 billion a year. That's above and beyond the payroll taxes we're collecting. Ten years later, it's about $300 billion. Every year, the situation gets worse.

So you can imagine what will be happening if we don't do anything. You know, Congress is going to show up, and somebody says, "We're $200 billion short. Where are you going to get the money?" Well, you can tax somebody to get the money; you can get rid of the benefits that you promised; you can cut other programs; or you can keep borrowing debt. That's why I think we've got a problem.

Now, before I start talking about what I intend to do about it, I've got to make some things just as plain as I can. If you're a senior citizen today on Social Security, you don't have to worry about it. The trust has got plenty of money to take care of you. I understand how this issue works. Everybody says, "He's talking about Social Security; there goes my check." That's what happens all the time when they're talking about Social Security. You're in good shape. And if you're near retirement, 55 years or above, you're in good shape. Nothing changes. Those are the facts.

The problem is, is that the younger workers have got a problem. And I think we have a duty to worry about our children and our grandchildren. You know, 2018 may not—may seem like a long way down the road for people who are running for office every 2 years. It's not that far down the road. If you've got a 5-year-old child, that child will be 18 years old before you know it, and the Social Security system starts losing money. In 2042, the system will be broke. Again, for some of us in politics, that may seem like ages. You know, "Don't worry about it; 2042 seems like forever." And in my case, of course, I'm not going to be around in politics. I'm moving on after 4 years. But nevertheless, it's not that far. And the longer you wait, the harder it is to fix the problem.

So my judgment is—and that's why I went in front of Congress yesterday and said, "Okay, let's fix the problem." And I put all ideas on the table, except for running up payroll taxes. If you've got a good idea, bring it. No President, I don't think, has ever said that when it comes to Social Security. Some of you veterans may remind me whether that's the case or not. I don't think so. I'm willing to stand up with the Congress. I don't care if it's a Republican idea, Democrat idea, independent idea; bring them forward. Let's work together and fix the system.

There are a lot of ideas out there—[*applause*]—thank you all. There's a lot of ideas out there. I mentioned some of the authors of the ideas last night. I've got one myself that I think is a very interesting idea, along with others. What I'm about to tell you will not permanently fix Social Security. By the way, there's no need just to put a Band-Aid on the deal. If we're going to get after it, let's fix it permanently. Let's let people look back generations from now and say, "I appreciate the way the Congress and the President worked together to do what was right on Social Security."

Let me give you an idea that I think is worth considering. I thought it was worth considering so much, I put about five paragraphs in my speech into it, you know. [*Laughter*] And it's this: I believe you ought to be allowed to take some of your own money, payroll taxes, and set up a personal retirement account on a voluntary basis. And the reason why I believe that is because the rate of return in your account

will be greater than the rate of return on the money you're getting in Social Security. And that's important because, if you're a younger worker and set aside some of your money that would normally be going into the trust into a personal account, over time that rate of return grows and accumulates. And you end up with a nest egg, I guess is the best way to put it, a nest egg that will then complement your Social Security checks when you finally retire.

Now, there's a lot of questions about this, of course. Can you take it to the lottery? Is that considered an investment? Can you take your payroll taxes and set up a fund and go to the lottery or the track or shoot some dice? The answer is no—[*laughter*]—obviously. You have to have a conservative mix of stocks and bonds. And there are a lot of funds that are conservatively tailored so you can get a reasonable rate of return. Obviously, the lower the risk, the lower the rate of return. But it's going to be a rate of return greater than that which you're earning in the Social Security trust, and that's important over time.

Secondly, you just can't, once you retire, pull it all out. In other words, there will be a phased withdrawal in order to make sure that the Social Security benefits you get, coupled with the money coming out of your own personal account, is done in such a way as to help you retire.

Third, there are ways to make sure your fund can avoid swings in the market at the very end of—right before you retire. So there's some wise things we can do, just like we do for the Federal Government employees, see? They've got this plan; it's called the Thrift Savings Plan. My attitude is, if it's good enough for people working in the Federal Government, it ought to be good enough for people working elsewhere in America.

I like the idea of you owning something. I love an ownership society. We want more people owning their own home. We want people owning their own business. We want people owning their own farm. We want people owning and managing their own health care accounts. And I think it makes sense to have people owning and managing their own retirement accounts.

So we're going to talk about Social Security. And by the way, this will be phased in. I know they're throwing out all kinds of numbers—1 trillion, 2 trillion, 3 trillion. When you get to the Federal Government, we—it's no longer millions or billions; it's trillions at the Federal Government. It's amazing, isn't it? Anyway, we're going to phase it in. This doesn't all happen at once. I think it's important to gradually phase in the idea of personal accounts so younger workers can get used to it and so that the plan is more affordable, so it's more fiscally sound, fiscally responsible to fade it in. And we put out such a plan that will help people understand that we can do this without busting the budgets. And that's important for people to understand as well. No, this is doable. It's just going to take some political will.

Now, I want to talk to somebody who professes to be an expert. Actually, he is an expert. We were in Fargo earlier, and he handled himself brilliantly for a professor—no. [*Laughter*] Jeff Brown from the University of Illinois knows the subject well. He is obviously a good sport. He takes a pretty good needle. But tell us—just give us—back me up. You've studied the issue. [*Laughter*] Now, I've come here, and they say, "What do you expect the President to say?" Put some expertise out there.

Jeffrey R. Brown. Happy to do so, Mr. President. And thank you very much.

[*At this point, Dr. Brown, assistant professor, Department of Finance, University of Illinois at Urbana-Champaign, Champaign, IL, made brief remarks.*]

The President. What was the life expectancy when Franklin Roosevelt designed the program—or Congress—60, maybe? I think it was 60.

Dr. Brown. Back in the mid-1930s, a person born in the United States could expect to live, on average, around 60, low 60 years old.

The President. See, that's how the system was designed: pay-and-you-go as you work, people not living very long. It's changed. The world has changed. The system hasn't changed with it. And that's what we're talking about.

You got any other thoughts, Professor?

Dr. Brown. Sure, I'll go on as long as you let me. [*Laughter*]

The President. Reminds me of my college days. [*Laughter*]

Dr. Brown. I'm used to having an hour and 20 minutes with an audience that can't leave.

The President. When I was awake. [*Laughter*]

Dr. Brown. The other thing, I just——

The President. Talk about the personal accounts. I know—it obviously makes some people nervous. It's a new idea. It's a new concept. People—all of a sudden, when you take a system like Social Security that's been around so long and it has done a lot of really—made a big difference in people's lives, and you throw out a new idea—it's the world in which the status quo sometimes is the easy default position. And—give us some thoughts on that.

[*Dr. Brown made further remarks.*]

The President. So Leo Keller is with us. He said, "Do you mind if I wear my hat?" I said, "Not at all, Leo." It's a fine-looking hat. Thanks for wearing it. I'm glad you're here. Welcome. Leo, you're here to talk about Social Security. Give us some wisdom.

[*Leo Keller, retiree, Bozeman, MT, made brief remarks.*]

The President. Yes, that's a really interesting idea. What he just said is very important. Once people get into the habit of savings, it encourages other savings. This society has changed. Leo, first of all, a couple points. One, you made my point on life expectancy. [*Laughter*] You're looking strong at 79, headed to 80. You're doing great.

Mr. Keller. Thank you.

The President. Secondly, it is important for Leo to know that nothing changes. There are a lot of people out there saying they've heard the Social Security debate—"I wonder really if this means I'm not going to get my check." I cannot—I'm just going to say it again and again and again. Matter of fact, this is stop two of five where I'm traveling around the country; I know I've got a lot of explaining to do. And one of the most important explanations of all is Leo is going to get his check. Nothing changes. The system is sound. Any discussion about younger workers does not mean that Leo and anybody like Leo is not going to have this promise that the Government made. That's just really important to know.

And thirdly, you're right about your grandkids. See, I like a guy who says, "My grandkids are capable of owning and managing something." It's a different mindset. The 401(k)s, for example, have changed the attitude toward investment, hasn't it? I mean, a 401(k), when you were coming up, Leo, was just three numbers and a letter in the alphabet. [*Laughter*] And now it's an idea, where people manage their own retirement and they own something. They see it; it's visible. It's an important part of our society today, and it seems like to me, as we modernize the system of Social Security, we incorporate a portion of that new system into the concept of somebody owning something.

So thanks for coming, Leo. You did a fabulous job. And the hat—listen, I'm telling you——

Mr. Keller. My pleasure.

The President. Those women look at that hat and that club, and they're going wild.

Kelly Kost—Kelly, thanks for coming. What do you do?

Kelly Kost. I am in sales and administration. I work for Mission Mountain Les Schwab Tires in Ronan, Montana.

The President. Ronan?

Ms. Kost. Ronan, yes.

The President. How many people live there?

Ms. Kost. I have no idea. [*Laughter*]

The President. Either do I. [*Laughter*]

Ms. Kost. Not a clue.

The President. At least you know where it is. [*Laughter*] Talk talk about Social Security. First of all, Kelly has got the hardest job in America. She's a single mom.

Ms. Kost. I've been a single mom since 1989. My twins are 18 years old, Jade and Jordan.

The President. Where are they? Yes.

Ms. Kost. Jordan is a member of the Army National Guard.

The President. There you go.

Ms. Kost. Jade will be the valedictorian of her class——

The President. There you go. Your mom is humiliating you, but it's good to know. Very good.

Ms. Kost. Yes. And they will both be entering college this fall.

The President. Fabulous, Mom. You're doing your job.

Ms. Kost. Thank you—thank you.

The President. Listen to your mother. [*Laughter*] I'm still listening to mine. [Laughter] Let's talk about Social Security.

[*Ms. Kost made brief remarks, concluding as follows.*]

Ms. Kost. I'm just wondering how user-friendly these will be.

The President. Yes, that's a fabulous question. There are a lot of people who are comfortable with making investments; there are some people who are just worried about it—you know, is it hard? And the answer to the question is, it will be incredibly user-friendly. It's got to be, because the options will be limited. The key is to allow people to have their own account that gets a better rate of return than the money in the current system. And over time, that will inure to your benefit.

And you can do that with a very conservative mix of stocks and bonds. The professor talked about—doctor or professor, which one—either one? Yes, okay. How about "Jeff"? Anyway—[*laughter*]—he talked about the Thrift Savings Plan for Federal employees. There are five options, and it spelled out what the options are. In other words, you're not going to have to go in and pick stocks. You'll pick a group of stocks or a group of bonds or a mixture of them. And they'll be described to you. So yes, it's very user-friendly. And that's a very good question.

The other questions I get are, can you just jerk your money out at any time? No, this is a retirement fund. It's meant to help you after you retire. The benefits of this idea is, one, it gets a better rate of return. It just will. Over time, you'll hear, "Well, the stock market will crash and therefore I'll lose all my money." Well, first of all, if you study the history of investments over a 15- or 16-year period of time, there's always been a positive return. Now, there may be a down year, but over time, we're talking about, you get a positive return. And there are investment vehicles that would help deal with any market decline. But we're talking about a mix, a conservative mix of stocks and bonds. And that's an important question.

Now, the other benefit, of course, is that it's yours. Your Social Security benefit is simply a promise. You don't own it; the Government will decide. If the Government can't pay for it, the Government says, "Well, we're going to reduce your benefits." When you have your own personal account, it's yours. The Government cannot take it away.

And you can give it to whatever child you decide—unless you get mad at them and then give it to somebody else. [*Laughter*] But it's—and that's an important concept about—when you talk about ownership. We're talking about a better rate of

return on your money, something you own that cannot be taken away, and something you can pass on from one generation to the next. And that's an important concept. Young families ought to be thinking about, obviously, saving to pass on from one generation to the next. I don't see why we can't incorporate that into the Social Security system because I know it can work financially. As a matter of fact, it makes the system more sound. It makes it more likely a younger worker is going to end up with that which the Government has promised. And that's important.

Speaking about young couples, Amy and Mike Borger are with us. Welcome.

Amy Borger. Thank you.

The President. Where do you both live?

Mrs. Borger. We live in Great Falls.

The President. Yes, right here, a beautiful town full of great people. I was touched by the number of people who came out and waved, and I thank them for that.

Do you have children?

Mrs. Borger. We do. We have our daughter, Jordan, is 12, right down in the front. And our son, Shane——

The President. There she is, Jordan, waving. That's good.

Mrs. Borger. ——is 2. And we're expecting our third baby in April.

The President. Awesome, yes. Georgia—you're going to name it Georgia? No. [*Laughter*]

Mrs. Borger. No.

The President. I don't blame you. [*Laughter*] Tell me about your ideas on Social Security. Thoughts, worries, concerns?

Mrs. Borger. I guess we're in a unique position in our life. I'm fortunate enough to still have my four grandparents living. It's very important to me that the system that has been promised to them continues to be the same for them. Looking for our—my husband and myself, we want to make sure that when we're ready to retire, the system is what has been promised to us as well as for our children. And we appreciate the chance to be given an opportunity to have a hand in that with the personal accounts.

The President. Yes, thanks. If you look over your shoulder, which you've already done—you can actually look right there—you'll see it's not going to be around unless we do something now. These good folks are in the danger zone unless Congress acts, because the cash deficits increase every year starting in 2018. That's an important date for people to remember. They may argue in Washington—it may be 2019, or 2018 and a half. It's happening, is the point. And it gets worse every year. I repeat to you—in 2027, we're looking for 200 billion extra dollars to pay what has been promised. I don't know how Congress is going to deal with that in 2027 unless we act now.

And we need to think about young families. You're a high school librarian?

Mrs. Borger. I am.

The President. You lucked out, buddy. I married a school librarian too. [*Laughter*]

Mike Borger. It can be hard at times, can't it?

The President. No, not at all. [*Laughter*] Well, if it has, I'm not confessing publicly. [*Laughter*]

What do you do?

Mr. Borger. I'm a supervisor at Poulsen's. It's a home improvement center here in Great Falls.

The President. Great, good, good. [*Applause*] Some of your fellow employees are here. That's good. They probably want a personal account as well.

Mr. Borger. A good friend of mine that I work with, his son is serving in Iraq right now.

The President. Where's he—where is—where's Dad? Appreciate it. E-mail your son, we're proud of him. It had to make you feel good, Dad, last night when the Iraqi lady hugged the mom of the fallen marine. I know it made her feel good. It was a show of gratitude from the Iraqi people that said, "Thank you for our freedom.

Thank you for the sacrifice." Your son is serving a noble cause, sir—security of America and peace to the world.

I'll tell you something really interesting that Amy is doing, by the way. We'll get to Social Security in a minute—kind of meandering around. [*Laughter*] Amy is into distance learning. Where do you go?

Mrs. Borger. Boise State University.

The President. From your living room?

Mrs. Borger. From my living room.

The President. Interesting thought, isn't it? The reason I bring that up is, obviously education is vital for the future of the country. No Child Left Behind is working. We're going to keep it strong; we will not undermine it. On the other hand, we've got to be wise about how we use technology. Think about that: The education system has changed; Social Security hasn't. Anyway, education—here she is going to get a——

Mrs. Borger. Master's in educational technology.

The President. Yes, from your living room. Pretty cool, isn't it? We've got to keep those kind of—keep these ideas moving. And Boise State has done a good thing to allow you to do that.

All right, Mike, back to Social Security. Do you think you'll ever see anything?

Mr. Borger. I hope to.

The President. Yes. It's an interesting question—I just want to stop you—I promise you're going to get more than two words in here. [*Laughter*] It may be hard to tell. [*Laughter*] Doesn't that kind of worry you when the young guy says, "I hope to?" [*Laughter*] When old Leo was his age, he said, "No question." Are you going to see a Social Security check? "No doubt." Now we've got youngsters saying, "I hope so," as if there is doubt, and there should be doubt.

Mr. Borger. My wife and I work very hard for what we earn. And we have a lot of bills and—daycare and two children and a third on the way—and it's hard to set money aside to start our own IRA and that stuff. So we're very dependent on what Social Security or the personal accounts can offer. So it's real important to us that something gets reformed and things change so that there is a guarantee for us and our children. And also, it's a concern to me that people like Leo and my in-laws and my parents and friends of mine that are coming upon the age that they retire, that their Social Security that they worked very hard for won't be touched——

The President. Right.

Mr. Borger. ——and that that will be there for them.

The President. It will be. And I can't guarantee for you; that's what we're here to discuss.

See, I'm traveling around because, first of all, I believe in the will of the people. I believe that people can influence policy. And so the next couple of months, I'm going to be traveling the country, telling people I think we've got a problem and asking people to get involved. Nothing changes for Leo, but this couple that's about to be raising three kids is—they're going to have a system that's just not going to work unless this United States Congress and the President act together.

I believe it's going to happen. I really do. Oh, the pundits will say it looks too tough, and this—somebody said it's not going to happen, and somebody opined it's not going to happen. But when the people really figure we've got a problem, they're going to demand a solution. They're going to say to members of both political parties, "What the heck are you doing in Washington, DC, if you're not willing to settle down and solve the problems facing this generation?"

I'd like to answer a few questions if you've got any. I'm sure somebody has got a few. Yes, sir, with that shirt on. Fine-looking shirt you got there. Thank you all for coming out, by the way. It's a joy to be here.

Retirement Age

Q. Mr. President, do you foresee that if we fix this program, we can move the retirement age back to 65? For some people it's 66, 67, 68, and on and on.

The President. Yes. Well, there's a lot of discussions about whether we ought to move it back or move it forward, and that idea is on the table. Again, this is one of those ideas where, in the past, if you talked about it, somebody would club you over the head with it in a political race. And I think we ought to debate whether or not the age ought to be 65, 66, 67. These are for younger workers now—nothing changes for older workers. And that's on the table; that's what I said last night. I reminded people that my predecessor, President Clinton, suggested that that might be part of a solution, to raise the retirement age. But I don't think you can end up making that decision now until you look at all the other options. And we're just going to have to take the hard look at all the different options on the table. And people are living longer—but this all, again, pertains to younger workers. And it's—it will be part of the debate that goes on in Washington, DC. And I'm willing to have it.

Yes, ma'am. Just can barely stand it. [*Laughter*]

Benefits for the Disabled/Prayer/Religious Freedom

Q. Sir, you are a blessing, and our family prays for you every day.

The President. Thank you. Thank you for saying that.

Q. My husband and I are privileged to have a 35-year-old daughter who is mentally disabled, and she works hard in a supportive living center in Helena, Montana. And many people against your proposal are trying to scare the disabled by saying they will lose their Social Security——

The President. Not true. Nothing changes.

Q. ——which she needs. So is she okay?

The President. Nothing changes when it comes to the disabled—the disability aspect of Social Security. This is all aimed—all discussions about the retirement aspects of Social Security. I'm glad you asked that.

Thank you for your prayer.

I tell people this: I don't see how a President can do the job without the prayers of the people. I know other Presidents probably wouldn't agree with that, necessarily. I quoted Abraham Lincoln today. He said, "I would be,"—I think—I kind of paraphrased him. We actually had the National Prayer Breakfast this morning. Started off by saying the State of the Union was kind of like a prayerful session: They were praying I'd hurry up and finish the speech. But it's—[*laughter*]. Anyway, I quoted Abraham Lincoln, who said, "I don't see how you can be President without prayer," is what he said. And I agree with that assessment. One of the most powerful—[*inaudible*]—of the Presidency is to know that people are praying for me and Laura. And I want to thank you for that.

Having said that, I also want to—I know there's a lot of talk about religion and politics. It is essential that whoever the President is and whoever is in Congress always honor the fact that in this country, you can pray or not pray and be equally American. You can be a religious person or not a religious person and be equally viewed as a patriot. And if you're religious, you're equally American if you're a Jew, Christian, Muslim, Hindu. That's the greatest thing about our country. That's what distinguishes us from the Taliban, is the freedom to be—the freedom to choose what you want to choose.

You've got a question? All right, thank you.

Personal Retirement Accounts

Q. Mr. President, I was reading in a liberal newspaper today—[*laughter*]——

The President. Sounds like a loaded question to me. [*Laughter*]

Q. ——an opinion was that, on the average, individuals would make about 6½ percent on the market over time and that that was less than what is being made in the Social Security system.

The President. No, that's—I don't want to ascribe a political label—I would describe as somebody who doesn't know what they're talking about. [*Laughter*] That's just not the truth. Professor?

Dr. Brown. That's what I'm here for, is to find the truth.

The President. Thank you, sir. Thank you. Thanks for coming.

Dr. Brown. Yes, historically, over the last 80 years, the stock market has returned about 7½ percent over inflation, and that's far higher than you get from Government bonds or on the return from the current system.

The President. No, but he's not talking about the return within the Social Security system, and it's, like, near zero.

Dr. Brown. It's about 1 to 2 percent for——

The President. And the difference between a 1-percent return on your money and 4-percent return on your money over time is significant?

Dr. Brown. Yes. Just to give you an idea of the difference between—suppose you invested $1,000 a year from the time you're in your early twenties until you retire. Suppose you get a 3 percent rate of return, you might have about $65,000. Get a 7 percent rate of return, you're going to have over $200,000. So it's a very big difference.

The President. That's how money grows. And that's an important concept that we need to incorporate if we want the Social Security system to be available for younger families and younger workers. It's a really important part of a reform package.

Okay, any more questions? I'm kind of winding down here because I've got to head on to Nebraska. Yes, ma'am? The red shirt.

Livingston, Montana

Q. I have one—[*inaudible*]—I'm from Livingston, Montana. I kind of have one question for you.

The President. Sure.

Q. Can you quote Proverbs 17:17 for me?

The President. Do what?

Q. Can you quote Proverbs 17:17 for me?

The President. No. [*Laughter*] That's an easy one. Can you? Quote it.

Q. "A friend loves at all times, and a brother is born for adversity."

The President. Thank you. Very good. I thought you were going to ask me if I knew how to get to Livingston. [*Laughter*] It's like that guy said, "What color"—he said, "To get to Livingston, you've got to go down the highway, and you go through the cattle guard, and you"—[*laughter*]—"turn left, and you go through another cattle guard." And a fellow comes back and says, "Hey, what color uniforms do those cattle guards have on?" [*Laughter*] That never happens in Montana.

Yes, sir.

Exercise/Personal Retirement Accounts

Q. Thank you, Mr. President, for coming to Montana.

The President. Nice to be back. Big Sky.

Q. When my wife and I continue to pay into the system, what percentage of that will we have the opportunity——

The President. Yes.

Q. ——to invest in? And what kind of mountain bike do you ride? [*Laughter*]

The President. I'm not supposed to endorse products, but it's called a Trek. [*Laughter*] Are you a mountain bike guy?

Q. Yes, I am.

The President. Oh, listen, let me—I'll get to the—I'll try to remember what—the real question you asked. [*Laughter*] First of all, I hope people exercise on a regular basis. It's—I can't tell you how important it is for you. Unfortunately, I exercised too hard for a while and can't run anymore, but

I did discover mountain biking. This has got to be fabulous mountain bike country, right?

Q. It is.

The President. Yes. Unlike, you however, I'm a safe mountain biker. I'm looking at—you look like a risktaker, you know? [*Laughter*] Like ride those little tiny trails—that's not me. [*Laughter*]

Now, I really—the best health care plan—one of the aspects of the best health care—any good health care plan is to encourage right choices. What you put into your body matters, and how you treat your body matters. And so I—thank you for bringing up—giving me a chance to segue into exercise. As a matter of fact, prayer and exercise are what keeps me going as—[*laughter*]—as the President—and family and friends, especially Laura.

The way the system works—in order to make it work fiscally, is that you can start off with $1,000 into your account, growing $100 a year up to 4 percent of your income. That's the answer to your question. The idea is ultimately there will be—if you're making 90,000, you can put 3,600 a year into your personal account. That's how you keep it more affordable than the numbers that have been being tossed about.

Yes, ma'am. Good to see you again.

Medical Liability Reform

Q. Hi, how are you? As usual our prayers and love are with you. But I could have several questions. One of them, though, going——

The President. Just ask an easy one.

Q. It is. [*Laughter*]

The President. Kind of getting late in the day.

Q. The medical—it's a medical issue.

The President. Yes.

Q. With the frivolous lawsuits, one of the problems, too, is that attorneys charge so much to bring even a fair lawsuit to the court system that the victim, the patient winds up with nothing and the attorney winds up with all the money.

The President. Right.

Q. And the doctor is being run out of business. Can that somehow be worked in there?

The President. I don't believe that—no, I'm—I just—I guess I could give you a political answer and say I'll think about it. I actually don't think the Government should regulate legal fees. I think that ought to be set by the market, so to speak. I don't think Government ought to set price. I do think Government, though, can set limits for lawsuits that—that are filed.

And the thing in medical liability reform that I think will make a big difference is to have a hard cap on noneconomic damages. In other words, you're allowed to get economic damages, but the noneconomic damages need to have a hard cap, which will reduce the desire for people to keep filing lawsuits as if the medical liability system were a lottery. But in terms of whether or not the Government ought to be setting legal fees, I don't think so. I don't think so.

Let's see, a couple of more, then I've got to hop. Yes, ma'am. Boom. [*Laughter*]

Personal Retirement Accounts

Q. Thank you, Mr. President. We're excited to have you for another 4 years, and we stayed up half the night waiting for the election results.

The President. Yes, thank you. [*Laughter*] Thanks. Well—[*laughter*].

Q. My question is, as this privatization of Social Security comes into effect, who will manage that? Has that been talked about at this point?

The President. I would call it personal retirement accounts, is the proper terminology, because it basically means you own it. See, privatization says the whole thing changes—not true. A portion, as I said, 4 percent ultimately, of the money that you earn can go into a personal account that you call your own. Who manages it? You

do. You make the decisions. You make the—on that aspect. The Social Security Administration will still exist for the other aspect of Social Security. It's a mixture. It's a blend. In other words, part of your money goes into the system and the Government will pay out benefits. Part of your money goes into your own personal account, which you will manage. You will get, on a quarterly basis, your statement about how much of your money has grown over—and how has it grown over a period of time. But the other portion of the Social Security will continue to be managed by the Federal Government, the Social Security trust.

How about the little guy in the hat? Number seven.

Request for Handshake

Q. Can me and my friend shake your hand?

The President. Yes. Move on over here. Okay, last question. Have you got a question? You don't have a question. You want to shake my hand, stay right there. I'm coming down.

Yes, ma'am.

Personal Retirement Accounts/Small Business

Q. As an employer of a small business, I have to express a concern. How will employers handle these deposits for our employees?

The President. The Federal Government will be the administrator to make sure that the accounts are properly set up.

Q. Wonderful.

The President. This is—this can be done without a lot of additional paperwork. Again, this is a—the purpose is not to create excess bureaucracy—quite the opposite. The purpose is to empower individuals and that the employer won't be charged with making sure that the paperwork is managed properly.

Let me talk about small businesses real quick. The tax cut that Max and I and Conrad and Dennis—Denny worked on is really important for small businesses. That's why it's really important we not allow taxes to go up. Seventy percent of new jobs are created by small businesses in America. And I'm proud to report the small-business sector of our country is strong and vibrant and doing well, and we need to keep it that way.

Thanks for being an entrepreneur. Are you staying in business? That's good.

Listen, let me conclude by thanking you all very much for your hospitality, your generosity of your time, and your strong love for our country. We are lucky people to live in the greatest country on the face of the Earth.

May God bless you all, and may God continue to bless our land.

NOTE: The President spoke at 3:55 p.m. in the Four Seasons Arena at the Montana ExpoPark. In his remarks, he referred to Senator Conrad Burns of Montana; Janice Rehberg, wife of Representative Dennis R. Rehberg; Gov. Brian Schweitzer, Lt. Gov. John Bohlinger, and Secretary of State Brad Johnson of Montana; former Governors Judy Martz and Marc Racicot of Montana; President Hamid Karzai of Afghanistan; President Viktor Yushchenko of Ukraine; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; Keith Reeves, whose son Spec. Jedidiah Reeves, MARNG, is serving in Iraq; and Janet Norwood, mother of Sgt. Byron Norwood, USMC, who was killed in Iraq on November 13, 2004, and Iraqi citizen and political activist Safia Taleb al-Suhail, both of whom were guests of the First Lady at the President's State of the Union Address on February 2. A portion of these remarks could not be verified because the tape was incomplete.

Remarks in a Discussion on Strengthening Social Security in Omaha, Nebraska
February 4, 2005

The President. Thanks for being here. Thanks for inviting me back. One of the last times I was here, I remember, I was out there with Senator Hagel, and he said, "Give them your best fastball." [*Laughter*] This wasn't a political moment; this was the College World Series. [*Laughter*] I finally remember the college—Mr. Mayor, I appreciate you being able to extend the contract for the College World Series here to Omaha, Nebraska.

We're not here to talk baseball today, and we're certainly not here to talk college football—[*laughter*]—if you know what I mean. [*Laughter*] We're here to talk public policy, about how to make America a better place.

I want to thank the Governor for joining us today. Governor, where are you? Thanks for coming. I appreciate you being here. I guess you kind of like my decisionmaking. I'll be frank with you; I didn't ask Johanns to join my Cabinet to make you Governor, although—[*laughter*]—I'm sure you're going to do a fine job. I did it because, one, he's a fine guy; two, agriculture is important to this country, and no doubt he's going to be a fine Secretary of Agriculture.

I am pleased to be working with Senator Chuck Hagel. He is a smart, capable man. He loves his country. He loves Nebraska. Looking forward to working with you, Chuck, for 4 more years. I'm proud that Senator Ben Nelson is here. He is a man with whom I can work, a person who is willing to put partisanship aside to focus on what's right for America. Senator, thanks for coming. Working my way through. Congressman Lee Terry is with us today. Congressman, proud you're here. Thanks for coming. Congressman Jeff Fortenberry is with us today. Thank you, Congressman—[*applause*]—sounds like they've heard of you. And of course Congressman Tom Osborne is with us today.

Mayor, thanks for coming—former Mayor Hal Daub is with us today. Mayor, thank you for being here. He, by the way, is Chairman of the Social Security Advisory Board. The President needs a lot of advice. The country needs advice on Social Security, and that's what we're here to talk about after a while.

By the way, Tom Osborne and I had the honor of being at the National Prayer Breakfast Thursday. He gave a fantastic talk. He's a humble, decent guy. I reminded people that the State of the Union was kind of like a giant prayer session—Members of Congress were praying I'd keep my speech short. [*Laughter*]

It's good to be here on the—right after the State of the Union. See, I believe one of my responsibilities is to travel our country talking about problems and how we intend to solve them, reminding people that the job of a President is to confront problems, not to pass them on to future generations and future Presidents.

One of the problems we face is the war on terror. The war on terror goes on. And it's important as the Commander in Chief that I speak as bluntly and frankly as I can about the perils we face. That's why I told the Congress it's important for the Congress to continue to support our men and women who wear our Nation's uniform as they pursue the terrorists around the world.

It's important for us to continue to work with our allies and friends to make the world a safer place. Every terrorist we bring to justice makes our children and grandchildren safer, and every country that accepts democracy as a way of life makes our children and grandchildren safer.

This has been a remarkable time in history. It has been an amazing time. In Afghanistan, millions went to vote in a country where, 3 years earlier, people had doomed those people to the life under the Taliban. Millions of people voted for a President for the first time in 5,000 years. It's an amazing moment in the history of mankind. And that matters. That matters to future generations of Americans because the more free countries there are in the world, the more likely it is we'll have peace.

The Ukraine voted for a President. The Palestinian people elected Abu Abbas [Abu Mazen].* And now I believe peace in the greater—in the Middle East is within our reach. I know that we'll achieve peace when the Palestinians develop a truly free, democratic society, which is what we're going to help them achieve. And then we'll be able to achieve a goal, two democracies living side by side in peace, Israel and the Palestine.

And finally, last Sunday an amazing thing happened in what used to be a dark and discouraged part of the world. Tyranny was firmly rejected, and the people of Iraq went to the polls in spite of violence, in spite of the ambitions of a few. They showed the United States of America, our coalition, and the whole world that deep within the soul of every human being is the desire to be free.

I was incredibly touched at the moment when the mom of the fallen marine hugged the woman from Iraq who had been given a chance to vote because of the sacrifices of this woman's son and people like her. It was a reminder that the people of Iraq truly appreciate the chance to live in freedom. It was a powerful moment when the country could see two women from different cultures embrace for the sake of peace.

We're making progress in Iraq because the Iraqi people do want to be free. Our strategy is clear. We're going to help the Iraqis defend themselves. We'll accelerate training. We'll make sure there's a chain of command so that the troops that are trained can effectively operate. We'll help them stand up a high-quality security force. And when that mission is complete and Iraq is democratic and free and able to defend herself, our troops will come home with the honor they have earned. And we will be able to look back and say that this is a part of a more peaceful future for our grandchildren. You see, free societies will be peaceful societies. And peace in the greater Middle East will be a legacy that our generation can be proud of for generations to come.

I was pleased to see our economy added 146,000 new jobs in the month of January. That's a good sign. More people are going to work around our country. The unemployment rate dropped to 5.2 percent. But we shouldn't be content. I'm looking forward to working with the Members of Congress to create the conditions for continued economic expansion.

Look, I'm worried about a society in which there's too many lawsuits. I believe all these lawsuits make it hard for people to form capital. I've called upon Congress for legal reform, reasonable, commonsense legal reform to keep our economy growing. But I also understand what these lawsuits are doing to health care. Whether it be rural health care or urban health care, we've got too many lawsuits that are running up the cost of medicine and running too many good docs out of practice.

We've got to get us an energy plan. We've been talking about it for 4 years. Now is the time for Congress to get a good plan to my desk. I'm looking forward to working with Members of Congress on both sides of the aisle to encourage conservation, to encourage renewable sources of energy whether it be ethanol, biodiesel, or clean nuclear power. We're going to spend money on new technologies that will help us leapfrog the old command-and-control debate, so we can burn coal in clean

* White House correction.

ways that people couldn't imagine 20 years ago. I mean, there's things to be moving this process forward in a practical way. But one thing is for certain: We need an energy plan to make us less dependent on foreign sources of energy.

I'm going to submit a budget on Monday. They've been—the people in Congress on both sides of the aisle have said, "Let's worry about the deficit." I said, "Okay, we'll worry about it again." My last budget worried about it; this budget will really worry about it. And I'm looking forward to working with Members of Congress to make tough choices. As I said in the State of the Union, we're going to eliminate or vastly reduce 150 programs that aren't meeting needs, aren't meeting priorities, and are not getting the job done. It's time to be wise with the people's money.

Anyway, we got work to do, and I'm looking forward to it. We got a lot of work to do when it comes to fulfilling the promises of our society as well. I talked about Social Security in the State of the Union. Now, that should signal that we got a problem. Otherwise, most Presidents have shied away from talking about Social Security—except to make the benefits better. I see a problem, and I used time at the State of the Union to speak directly to the American people about the problem. That's why I've come to Omaha—besides saying hello to friends—is talking about the problem.

And here's the problem. When the Social Security system was designed, the average life expectancy was about 60 years old, and benefits were at a certain level, and the number of payers into the system were significantly greater than they are today. As a matter of fact, in 1950, some 14 years after the system was designed, there were 16 payers into the system for every beneficiary, as that chart says. And that's important, because the more beneficiaries there are paying into the system, the more likely it is a beneficiary is going to get paid.

Secondly, what has changed since then is that we're living longer. The life expectancy is now 77 years old. And as a result of living longer, you've got people who have been made promises by the Government receiving checks for a longer period of time than was initially envisioned under Social Security. Secondly, the benefits that had been promised are increasing, so you've got more—and thirdly, baby boomers like me and Hagel and a bunch of others are getting ready to retire. So you've got more people retiring, living longer, with the promise of greater benefits.

The problem is, is that the number of people putting money into the system is declining. So you can see the mathematical problem, right? Greater promises to more people who are living longer, with fewer payers. That's a problem, particularly when you start doing the math. And it's summed up by this chart that says in 2018—the facts are, in 2018, that the amount of money going out of Social Security is greater than the amount of money coming into Social Security. And as you can see from the chart, it gets worse every year. That's what that red means.

So, like, for example, in 2027, the amount of money required for the Government to come up with to meet the promises is 200 billion above the payroll taxes collected. And some 13 years later, the system is broke. In other words, in 2042, it is flat bust. So, because more people are receiving higher benefits and living longer, with fewer people paying into the system, the system goes into the red in a pretty short order. And every year it gets worse—200 billion in 2027, about 300 billion in 2032. And so it just accumulates. And if we wait, it gets worse. In other words, it's more costly to solve the problem. So we have a problem.

And I'm going to spend a lot of time traveling our country talking about the problem, because I fully understand that in the Halls of Congress, if people do not believe we have a problem, nothing is going to happen. There's no need to take risk

on a solution if you're not willing to address the problem.

[*At this point, there was a disruption in the audience.*]

The President. We love free speech in America. I think it's important for people to be open about the truth when it comes to Social Security. That's what we're here to talk about. And I also have an obligation to help come up with solutions. It's one thing for a President to say we've got a problem. A President, in my judgment, also needs to come up with solutions. At the State of the Union, I said there have been some interesting suggestions, all of them on the table. I'm willing to work with anybody, Republican or Democrat or independent, who wants to come in and discuss ways to solve the problem. Everything is on the table except raising payroll taxes.

I came up with an interesting idea that I want to discuss with you. I know some of our panelists will discuss it with you as well. I believe that younger workers ought to be able to set aside some of their own payroll taxes in what's called a personal retirement account. And let me tell you why. I'll tell you why I think it makes sense. First of all, a personal retirement account will earn a greater rate of return than that which your money earns in the Social Security trust. That's an important point for people to understand. If you invest your money in conservative stocks and bonds, you're likely to get around a 4 percent rate of return, which is greater than double than the money you're earning right now in the Social Security trust. And over time, that means your own money will grow faster than that which is in the Social Security trust. In other words, you'll have more money when it comes time to retire. That's what that means.

And that's an important concept, and it's going to take a while to explain to people, but it's called the compounding rate of interest. And it means your money grows.

Some people say, "Well, sure, that's easy for the President to say, 'It's going to grow,' but what happens if somebody puts it in the lottery—you know, 'I hope it grows really big'—or shoots it in dice or something like that?" Look, there's going to be guidelines, and that's important for people to understand. If we ever get the concept of personal retirement accounts started, there will be investment guidelines. You cannot take risks with your money. In other words, there will be certain mixes of stocks and bonds that are conservatively constructed to help get a better rate of return than that which is in the Social Security trust and, at the same time, helps manage risk.

Secondly, people say, "Well, can you draw it all out at some point?" No, it's like a part of the Social Security system. It's your retirement account, but you can only draw money out on a regular basis to help complement the money you'll be receiving from the Social Security system.

Thirdly, there are ways to mitigate risk for market downturn. But the truth of the matter is, when you look at the history of the stock market, over time the market has always increased with a conservative mix of stocks and bonds.

Fourthly, this makes sense to me because it gives people an ownership. We want people owning more things in America. This is your account. Government cannot take it away from you. It's a part of your legacy to your family.

And so just some guidelines to make what I think is a practical plan to make Social Security more available for younger workers. And it will be phased in over time. I know you have all these wild estimates of costs—"Bush wants to spend this, that, and the other." Look, this plan needs to start slowly and gradually so, one, workers can get used to it, and, two, we can better afford the plan within projected cashflow needs.

It makes sense to me, and I want the Congress to seriously debate it. And one

of the things—one of the reasons I'm traveling the country is not only to say, "We got a problem. Let's come together and fix it. Here's an interesting part of the solution." I fully recognize a personal retirement account is not the only thing needed to make—to solve Social Security permanently. But it's a part of a solution. And I believe I have a responsibility, as someone who has put the issue on the table, to be a constructive voice in coming up with a solution that will save Social Security for younger workers.

Let me say one other thing, and then we're going to have a discussion. It's probably hard to tell these panelists are here to be able to talk with me, talking as much as I am. One of the problems that people in the political world have is dealing with the issue of our seniors who have already retired. In other words, seniors hear "Social Security" and they say, "Really what he's going to do is take away my check or part of my check." It is really important for our senior citizens, those who've retired and those near retirement, to know nothing changes. When I talk about a Social Security trust going bankrupt in 2042, there is enough money in the system to take care of the promises for those who have retired and those who are near retirement. That's a fact. We can argue about a lot of other issues, but one fact is certain: Social Security is in good shape and will meet its promises to those who've retired or nearly retired.

The problem exists for younger workers. And that's why in my State of the Union, I put this issue in a generational context. I said to Congress, we have a duty to leave behind a better America for generations to come, and part of that duty is to make sure the retirement system is sound and solvent.

All right, I've been talking enough. If Laura were here, she'd have said I've been talking way too much. [*Laughter*] By the way, she sends her best regards. What a fabulous woman she is. She's a—she's doing great.

Syl Schieber is with us. Syl, where do you live and what do you do?

Sylvester "Syl" Schieber. I live in—just outside of Washington, DC, in Chevy Chase, Maryland.

The President. Yes, good.

Dr. Schieber. And I have worked on retirement issues for some 30, 35 years now——

The President. Wrote a book.

Dr. Schieber. ——and wrote several books on this, two on Social Security so far—may write another one someday.

The President. Good. Nonfiction. [*Laughter*]

Dr. Schieber. I've tried my best. There's a lot of fiction—a lot of fiction in this area.

The President. That's good. Syl is an expert on the subject. In other words, he's spent a lifetime studying Social Security. I've asked him to come so he can maybe explain what I just tried to say—in English. [*Laughter*] Take Texan and convert it to English. [*Laughter*] Why don't you let her rip? Let people know what's on your mind on this issue.

[*Dr. Schieber, vice president of research and information, Watson Wyatt Worldwide, Chevy Chase, MD, made brief remarks.*]

The President. Good job. Thanks for coming.

Rose Davis.

Rose Davis. Yes, sir.

The President. Welcome, Rose.

Ms. Davis. Thank you.

The President. What do you do?

Ms. Davis. I'm a college professor at Metropolitan Community College.

The President. Community college, yes—big backer, by the way, here of community colleges. I think they're really important.

Ms. Davis. I know you approve of them.

The President. Yes, they're doing—they're good.

Ms. Davis. I teach social science, human relations, and criminal justice.

The President. Good. Thanks. Do you want to be known as "Rose" or "Professor"?

Ms. Davis. Beg your pardon?

The President. Rose or Professor?

Ms. Davis. Rose is fine.

The President. Rose is fine, good. [*Laughter*] You have had an issue with Social Security. Why don't you describe to the people your view.

[*Ms. Davis made further remarks.*]

The President. Yes. What she's saying is really an interesting point, isn't it? Mom dies at what age?

Ms. Davis. She died at 67.

The President. Sixty-seven, so she really didn't live long enough to take advantage of the money she had put in the system. And yet because of survivors—and there are survivor benefits, but there's an age limit on survivor benefits—the survivors receive nothing. And so Mom's lifetime of savings went into the system to pay for somebody else. And one of the benefits of personal accounts, a personal retirement account is that you leave something behind for your children or grandchildren.

And I think it's fair. I think there's a group—the life expectancy of certain folks in our country is less than others, and that makes the system unfair. In other words, if you're dying earlier than expected, the money you put in the system simply goes to pay somebody else. One of the benefits of an ownership society is you could decide what to do with your own assets. Remember, it's your money to begin with. You've worked; it's payroll tax.

Ms. Davis. That's why it's important to say that you're not lying to the American people because I'm living this right now.

The President. Right.

Ms. Davis. You're not lying.

The President. That's right.

You know, one of the interesting things, by the way, again, on personal accounts—admittedly, new concept, hard for some to understand, and it's just going to take a while for people to hear the debate and get used to the concept. The principles are easy to understand: your money; you own it; you can pass it on to whoever you want; you get a better rate of return. But it's been done before. In other words, this isn't the first time the thought of a Thrift Savings Plan has been advanced. As a matter of fact, Federal employees can now take some of their own money and put it into five different conservative portfolios of stocks and bonds as a part of their retirement package. It's an easy statement to say, but something I believe is if it's good enough for Federal employees, it ought to be good enough for younger workers.

Mary is with us. Mary Mornin. How are you, Mary?

Mary Mornin. I'm fine.

The President. Good. Okay, Mary, tell us about yourself.

Ms. Mornin. Okay, I'm a divorced single mother with three grown, adult children. I have one child, Robbie, who is mentally challenged, and I have two daughters.

The President. Fantastic. First of all, you've got the hardest job in America, being a single mom.

Ms. Mornin. Thank you.

The President. You and I are baby boomers.

Ms. Mornin. Yes, and I am concerned about—that the system stays the same for me.

The President. Right.

Ms. Mornin. But I do want to see change and reform for my children because I realize that we will be in trouble down the road.

The President. It's an interesting point, and I hear this a lot—"Will the system be the same for me?" And the answer is absolutely. One of the things we have to continue to clarify to people who have retired or near retirement—you fall in the near retirement.

Ms. Mornin. Yes, unfortunately, yes. [*Laughter*]

The President. Well, I don't know. I'm not going to tell your age, but you're one year younger than me, and I'm just getting started. [*Laughter*]

Ms. Mornin. Okay, okay.

The President. I feel great, don't you?

Ms. Mornin. Yes, I do.

The President. I remember when I turned 50, I used to think 50 was really old. Now I think it's young, and getting ready to turn 60 here in a couple of years, and I still feel young. I mean, we are living longer, and people are working longer. And the truth of the matter is, elderly baby boomers have got a lot to offer to our society, and we shouldn't think about giving up our responsibilities in society. Isn't that right?

Ms. Mornin. That's right.

The President. Yes, but nevertheless, there's a certain comfort to know that the promises made will be kept by the Government.

Ms. Mornin. Yes.

The President. And so thank you for asking that. You don't have to worry.

Ms. Mornin. That's good, because I work three jobs and I feel like I contribute.

The President. You work three jobs?

Ms. Mornin. Three jobs, yes.

The President. Uniquely American, isn't it? I mean, that is fantastic that you're doing that. Get any sleep? [*Laughter*]

Ms. Mornin. Not much—not much.

The President. Well, hopefully, this will help you get your sleep to know that when we talk about Social Security, nothing changes.

Ms. Mornin. Okay, thank you.

The President. That's great.

Jerry Rempe is with us. Jerry, tell them what you gave me.

Jerry Rempe. I came today because I'm married and have three children——

The President. No, tell them what you gave me as—to make me look good at the household.

Mr. Rempe. I work for Omaha Steaks, so we presented the President with Omaha steaks today.

The President. They know something about beef in this State, isn't that right?

Mr. Rempe. We know a little bit here.

The President. About beef. That's the good thing about Johanns is he knows something about beef too. And he'll—[*laughter*]—he'll make sure the cattlemen as well as the grain growers and soybean growers all across the country are well represented in the Ag Department.

Anyway, sorry to interrupt you, but I was just trying to get you kind of a subtle plug. [*Laughter*]

Mr. Rempe. We appreciate that.

The President. Yes.

[*Mr. Rempe, quality assurance assistant manager, Omaha Steaks, Omaha, NE, made further remarks.*]

The President. Yes, it's interesting—I want to—a real interesting point he made, when our folks were coming up, there wasn't anything like a 401(k). That was just numbers and a letter in the alphabet. [*Laughter*] And his dad, interestingly enough, said, "Join." In other words, there's been a shift of attitude in our society over time. The 401(k) represents that shift, where more and more people are saving for their own. In other words, savings used to be done by third parties. Social Security is saving by a third party, the Federal Government. Here, what he's talking about is the company plans encourage individual savings, empower the individual to make decisions, had the individual look at the portfolio decisions, had the statement of the person's savings go directly to the individual on a quarterly basis.

And basically what we're talking about here is helping evolve the Social Security system, modernize the system to reflect the current ways people save. And your dad was wise to give you that advice.

Mr. Rempe. I appreciate it.

The President. Yes, and you were wise to listen——

Mr. Rempe. It looks amazing now.

The President. ——as you now know. What he's also talking about is, over time a person's assets grow with the compounding rate of interest—as $1,000 earns a 4 percent rate of return, for example, that accumulates over time. The base is bigger the next year, and the 4 percent means more, and it continues to grow. And that's what he's witnessing here.

Now, we've got Amanda Temoshek with us. Amanda, thank you for coming. What do you do?

Amanda Temoshek. I own my own company, which is called Heartland Campaign Management.

The President. Good—which does what? Heartland Campaign Management.

Mrs. Temoshek. It does fundraising campaigns, consults on fundraising campaigns for nonprofit organizations.

The President. For nonprofits—great, thank you for doing that. You know, one of the great strengths of the country is the fact that we're a compassionate nation. Many nonprofits exist to help heal broken hearts, and if you're a part of that effort, thank you for being a soldier in the army of compassion.

Mrs. Temoshek. Well, you're welcome. I love the opportunity to help the nonprofits.

The President. I also love the entrepreneurial spirit in America. It's strong. I mean, the truth of the matter is, a way forward for many minorities and women is through owning their own business. And we've got to promote entrepreneurship in America. So, good going.

Mrs. Temoshek. Thank you.

The President. Why are you sitting here? [*Laughter*]

Mrs. Temoshek. Well, the reason why I'm interested in Social Security—first of all, because I do own my own business, I'm not only paying my portion of the Social Security; I'm paying the employer's portion. So I'm paying the whole portion of Social Security, and I write out that check myself. Right out of my company checkbook, I write that check.

And I was married last year to my husband, Darren.

The President. Where is he?

Mrs. Temoshek. He is right back there.

The President. Darren, good going. You did well. [*Laughter*]

[*Mrs. Temoshek made further remarks.*]

The President. This is an interesting question many young Americans are asking, "Will there be benefits available?" I don't remember asking that question when I was your age. I don't think many baby boomers were sitting around saying to their moms and dads or elected officials, "Was Social Security going to be around?" We never asked that. Actually, we were asking, "Are they going to keep increasing benefits?" We never said—and there was no doubt in our mind.

And what's shifted on Social Security—and I saw this firsthand during my campaigns for the Presidency—what has shifted is there are a lot of younger folks in America who wonder out loud, who come right here on the stage with the President and say, "Will the Social Security system not only be around for me, but will it be around for my children?" That is what's shifted in the debate. Millions of younger Americans wonder whether or not the Social Security system will be healthy. And once we assure senior citizens nothing changes, or those who are soon to be senior citizens—well, not that soon, but one of these days will be senior citizens—nothing changes, the debate should really shift to those who've got the most at stake in inaction. The status quo is unacceptable to younger workers, and younger workers understand that in America.

I want to thank our panelists—did a fine job. [*Applause*] Yes, thanks for coming. I hope you've enjoyed this discussion. I certainly have. I look forward to—I like to get out of Washington. It's good to get

out of the Nation's Capital and get out amongst the people. It's—the accommodations are nice there in Washington, but it's nice to get moving around and to be in front of folks. And I'm going to spend a lot of time over the course of the next couple of months describing the issue of Social Security in as plain of terms as I can—not only saying we've got a problem and pointing it out in different charts and facts and figures and getting experts and other citizens to join me but also calling Congress to work with the administration to come up with a solution.

Now, they've said, "Well, this is a hard issue. Why are you doing this, Mr. President, it's too hard an issue." Well, we got a job to do. It doesn't matter how hard the issue is. As a matter of fact, the harder the issue, the bigger the challenge, and the more exciting it's going to be when we get the job done.

I want to thank you all for coming. I appreciate you being here. May God bless our great country.

NOTE: The President spoke at 8:40 a.m. at the Qwest Center Omaha Arena. In his remarks, he referred to Mayor Mike Fahey of Omaha, NE; Gov. Dave Heineman of Nebraska; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; and Janet Norwood, mother of Sgt. Byron Norwood, USMC, who was killed in Iraq on November 13, 2004, and Iraqi citizen and political activist Safia Taleb al-Suhail, both of whom were guests of the First Lady at the President's State of the Union Address on February 2.

Remarks in a Discussion on Strengthening Social Security in Little Rock, Arkansas
February 4, 2005

The President. Please be seated. Thanks for coming. It's great to be back in Little Rock. Thanks for inviting me. Thanks for coming. I've got something on my mind, which is how to make sure this country is safe for generations to come and how to make sure this country is financially secure for generations that are coming up.

So thanks for coming. As you can see, I'm joined on the stage here by some fellow citizens who are willing to discuss the Social Security issue. But before I get there, I've got some other things on my mind I want to share with you. First, I want to thank the Governor, Mike Huckabee, for doing such a fine job as the Governor of the State of Arkansas. I want to thank his Lieutenant Governor, Win Rockefeller, for doing such a fine job. Thank you all for being here.

I know we got members of the statehouse who are here, the State senate and the State legislature. I appreciate you all serving. I appreciate you all coming. I hope you find this dialog as interesting as I think you're going to. This is going to be an interesting discussion about a big issue, and I believe those in the legislative branch appreciate somebody from the executive branch who is willing to set a big agenda. See, the job of the President and the job of a Governor is to confront problems, not pass them on to future generations, future Congresses, or future Presidents. And that's what we're here to discuss today.

I want to thank Mayor Pat Hays from North Little Rock for joining us. I appreciate you coming, Mayor. I want to thank all the local and—thanks for coming, Mayor. Fill the potholes and everything will be fine. [*Laughter*] Huckabee is probably

saying, "Send me the money." Anyway—[*laughter*]—I really thank you for coming.

When I landed today, I met Katya Lyzhina. Where is Katya? There she is. Thanks for coming. Katya—let me tell you about this story. I want to—because it is, I think, representative of the true spirit of America. Katya was adopted by Jan. Where's Jan? Thanks for coming, Jan. Katya, you see, was born and raised in Russia, and her parents died. And Jan, out of deep compassion for a fellow human being, adopted Katya, and here she is in America. She came as an 11-year-older. She's a teenager. I'm not going to tell you her real age. Let me just say she's under 20. But guess what? She has raised 4,000 books to help build libraries for after-school programs. She helps raise money for food banks in the Little Rock area. She started Hope's Miracle to help raise money for other—to pay for help for families who are adopting a child.

This little child has come from a faraway land and is repaying the love and compassion of her stepmom and her country by serving as a volunteer in the army of compassion. She represents what many others here and around our country represent, and that is the strength of America. The strength of America is found in our hearts and souls. We can and we will change America, one heart, one soul, one conscience at a time, by surrounding those who hurt with love and willing to dedicate our time to making our communities a better place.

Thank you, Katya, for the example you've set.

We'll talk about a couple of other things, and then we'll get to Social Security. I enjoyed giving the State of the Union. Interestingly enough, the day after the State of the Union, we had a National Prayer Breakfast. And when asked to speak, I said it seemed like the State of the Union was a moment of prayer—these Members were praying that I'd keep my speech short. [*Laughter*] But I enjoyed giving it, and I enjoyed reminding our Nation we're still at war. And for every—every time one of our brave soldiers brings to justice somebody who's trying to hurt America, we are safer. And that is why I said with confidence that we will stay on the offense until we have won this war. And I reminded our Congress, so long as we've got soldiers in harm's way, they deserve the best support. And I'm confident we'll get that support out of the Congress.

And I want to thank the good folks from Arkansas whose sons and daughters have gone overseas to defend our freedom. I know a lot of people from Guard units, Reserve units, and on active duty from this great State have served. And I'm proud of the service, and I know you are as well.

Every time a country goes from tyranny to freedom, we are safer as well. On the one hand, we'll stay on the offense, working with our friends and neighbors and allies to bring people to justice. On the other hand, we'll continue to spread freedom.

Think about what has happened in a quick period of time. People in Afghanistan voted for the President, the first time in 5,000 years. That's a long time. And we're better off for it. The world is better off when a society goes from tyranny to freedom. When a society is free, it has to listen to the demands of its people. Moms and dads universally want to raise their child in a peaceful environment. People just want the best for their kids when they grow up. They want the world to be peaceful. When governments listen to the demands of the people, it is more likely that peace will prevail. The Palestinians elected a new leader. He's showing signs that it's necessary to fight terror so that we can achieve peace with Israel. The Ukrainian people elected a new leader. Think how far that society has come. And last Sunday, the Iraqi people, in the face of incredible odds, went to the polls.

And it's important—that's an important moment. It's an important moment in history because it showed that a few tyrants

and terrorists and killers cannot stop the will of men and women. See, what we believe in America is that freedom is universal because freedom is the Almighty God's gift to each man and woman in this world. That's what we believe.

And it is very important for people in Arkansas and around the country to understand that a free Iraq is in our national interests. If part of our duty is to leave behind a more peaceful world for our children and grandchildren, a free Iraq in the heart of the Middle East will set a powerful example for others who long for freedom. We have a chance to continue this incredible march of history toward free and democratic societies.

I thought the most important moment of the State of the Union, of course, was when the mom from Pflugerville, Texas, hugged the woman, the human rights advocate from Baghdad. It said—it was a powerful moment for people to see the gratitude of the Iraqi people expressed in a hug toward a mom who suffers as a result of her son sacrificing his life not only for our freedom but for the freedom of people far away. It spoke volumes to me. It said that people want to be free. And I think the freest nation on the face of the Earth has a duty to help those who desire and long for freedom to achieve that dream. And in so doing, this world of ours will be more peaceful.

In Iraq, we'll continue to stand with those—they said to me, "Are you going to have a timetable?" Timetables are the wrong thing to put out. All the timetable says—it says to the enemy, "Go ahead and wait." No, the timetable is this: We will continue training the Iraqis as fast as possible so they have the capacity to meet their will, which is to defeat these terrorists. See, they voted in overwhelming numbers in the face of terrorism. I'm convinced that when given the tools, they will defeat the terrorists. And when the Iraqis are ready to defend themselves, our troops are coming home with the honor they have earned.

A couple of other things before we get to Social Security. I was heartened to see today that we added 146,000 new jobs in the month of January. The national unemployment rate went down to 5.2 percent. We're making progress. I assure you, however, we will not rest on our laurels. There's more things we can do to create an environment in which jobs continue to expand—for example, be wise with your money. Monday, I'm submitting a budget. It says that if the program doesn't make sense, it doesn't meet priorities, it doesn't make results, we're either going to cut it back or eliminate it.

I think we can get us an energy bill, finally. We've been talking about it for a—we've been wasting a lot of energy talking about it. [*Laughter*] Now we can get a commonsense bill that says let's conserve more, let's spend money on research to be able to use coal in clean ways. Why don't we promote safe, clean nuclear energy? We need to do things like advance research on ethanol and biodiesel. Can you imagine, someday it will make sense for a President to say, "Gosh, the crop report looks strong; it means we're less dependent on foreign sources of energy." There's a lot of commonsense things we can do and must do to keep this economy growing and make us less dependent on foreign sources of crude.

I can just hear Laura now: "Keep it short; let everybody else talk." But she's not here. So anyway, I'm going to keep going. [*Laughter*] I know she wishes she were here. By the way, she is a fabulous woman. I'm lucky she's my wife, and she's a great First Lady.

A couple other points I want to make on the domestic scene. If you're a small-business owner, I think you ought to be allowed to pool risk across jurisdictional boundaries. That means if you're a restauranteur in Little Rock, you ought to

be teaming up with a restauranteur in Austin to be able to buy insurance for your employees so that you can better afford insurance. Congress needs to let small businesses do that so we can get insurance to our people who work for small businesses.

I tell you something else we need to do—and I feel very strongly about this when it comes to health care—I am deeply concerned about the number of lawsuits that are running up the cost of medicine and running good doctors out of practice. You may not think that people in my position are able to get out and listen to people, but we actually are able to do so. And one of the common complaints I heard about our current legal system around the country was from ob-gyns and expectant moms. Because these lawsuits are running ob-gyns out of practice, too many expectant moms are nervous about whether or not they're going to get good health for themselves and their babies.

We have a real problem in America with these junk lawsuits. It's like a legal lottery, and it's costing our citizens, patients, and doctors a lot of money, and it's costing Federal Government a lot of money. I believe medical liability is a national problem. I have proposed a national solution, and I call upon Congress and Members from the United States Senate and the House of Representatives from Arkansas to support doctors and patients with good liability reform.

I got the message—get to the point: Social Security. First of all, I think it should interest you that a President is traveling the country talking about Social Security. And a—see, I see a problem, and I'm about to describe it to you. And I have a duty, therefore, to make the problem as clear as I can to as many people as I can. I started that the other night at the State of the Union, and I'm traveling to my fourth State. I'm going to Florida from here—five States, two days—with this message: We have a problem, and I intend to lead the Congress to fix it. But I understand problems sometimes don't get fixed until the people of the country start saying, "We see the problem, and you go fix it." And that's what we're here to talk about.

And so here's the problem. The problem is that the mathematics of Social Security has changed significantly since the program was designed. Franklin Roosevelt designed the program. It was a system where the money came in and was supposedly going to accumulate, and passed out when people retired. And there were a lot of workers for every beneficiary. By 1950, there were 16 workers paying into the system for every beneficiary. In other words, there was quite a few people whose payroll taxes went into the system to meet the promises the Government had made to the retiree. And that's fine.

And by the way, during that era, life expectancy was around 60 years old. Now, what has changed is this. First of all, we're living longer. I mean, I hope to make it past 60; I got 3 more years to go. The life expectancy is 77 years now. Mom and Dad are 79 and 80. You know what I'm talking about. People are living longer. And therefore, the whole formula—part of the formula doesn't hold up. The longer you live, the more benefits you receive. And when you couple that with the fact that the baby boomers, like me, are fixing to retire—not only are we living longer and therefore receiving benefits longer than anticipated when the system was designed, more of us will be living longer, receiving more benefits. Plus, the benefits are scheduled to rise dramatically. So you've got more people living longer, receiving benefits longer at a greater level of support. Plus, the number of payers into the system have declined from 16 per beneficiary to 3.3 per beneficiary. And in relatively short order, it's going to be two people paying in per beneficiary. Now, that's a problem because the system can't sustain itself.

And as this chart shows you, in the year 2018, the Social Security system goes into the red. That means more money going

out to baby boomers, who are living longer with greater benefits promised than coming in in payroll taxes. See, it starts to go negative. Up to now, it's been positive. Up to now, we've been receiving more in payroll taxes than have gone out to pay. But the dynamics shift dramatically when the baby boomers start coming into the system.

And in 2027, that deficit will be 200 billion a year. It grows every year: 2018 is small; by 2027, it's going to require 200 billion extra to pay off the promises; 2033—these are just examples of how it increases on—the deficit increases on an annual basis—2032, I believe it is, comes out to be about 300 billion. So you can see the problem. We're short. In order to fulfill the promises for the number of people paying in the system, we're going to have to come up with 200 billion a year in 2027, and more the next year, and more the next year, and more the next year—unless we do something about it.

Now, I know there's some people saying, "Uh-oh, how does that affect my check? I'm on Social Security now." You're fine. You don't have a thing to worry about. The Social Security system is sound for those who are—have retired and those who are near retirement, people born before 1950. It is in good shape. Nothing will change.

And part of the problem with dealing with this issue, part of the problem is seeing the problem and coming up with a solution is, a lot of people in political life are afraid of talking about it because they're afraid somebody in their State is going to say, "Well, when you talk about Social Security, really what you're doing is taking away my check." You know what I'm talking about. You've seen those campaigns: "Old so-and-so is going to take away my check." Well, that's just not reality. Those are scare tactics. Senior citizens are just fine.

It's the younger folks that ought to be saying, "What're you going to do about it, Mr. President? My generation is now going to be saddled with 200 billion in 2027, and more the next year, and more the next year, until the system gets bankrupt in 2042. How about doing something about it now before it is too late?"

That's why I think—you see, the dynamics have shifted. It used to be, people were afraid to talk about Social Security. Now I think people should be afraid not to talk about Social Security and start coming up with some solutions. It's one thing for the President to say we've got a problem; now I believe I have a duty to help lead Congress toward a solution. Let me just say right off the bat I'm open for any idea except raising payroll taxes to solve the problem. If anybody has got an idea, bring it forth. I don't care if it's a Democrat idea or a Republican idea or an independent idea, I'm interested in working with the people who end up writing the law to come up with a good idea.

And so all options are on the table, as I said in the State of the Union the other night. Bring them on, and we'll sit down and we'll have a good discussion about how to get something done. I think it's really important that the Congress understand that's how I feel. And we're not going to play political "gotcha." Dealing with our—dealing with the security of our youngsters is vital. And now is not the time to make this issue a highly partisan issue. I really mean that when I say that.

Now, I've got some interesting ideas, and I think they're worth listening to. And one of the most interesting ideas of all is whether to allow a younger worker to be able to set aside some of her—his or her payroll taxes into a personal retirement account. I think younger workers ought to be allowed to do that.

I'll tell you why. I'll tell you why I think they ought to be allowed to do that: because I understand that with a conservative mix of stocks and bonds, a person can earn a rate of return which is significantly greater than the rate of return that person's money now earns in the Social Security trust. And that's important because over

time, when your money compounds and the rate of interest compounds your money, it means a younger worker will be able to accumulate a lot more money per dollar in than he or she would if the money stayed in the Social Security trust. In other words, it grows better. And that's important. It's important for a younger worker to be able to grow his or her money, particularly given the fact that there's some significant cash deficits headed our way.

Secondly, I like the idea of encouraging an ownership society. I think people ought to be encouraged to own something in America. You'll be owning a part of your retirement account. It's actually your money to begin with. It's not the Government's money. You're paying it in. I think it makes sense for people to be given a statement on a quarterly basis: "Here's your money, and here's how it's growing."

Now, there are some legitimate questions regarding this system. One, can you take your money and put it in the lottery? No. [*Laughter*] The answer is not only no, but heck no. [*Laughter*] You can't take it and play dice with it; you can't take it to the track; you can't gamble on, you know, fly-by-night stocks. You can only put it in a conservative, Government-prescribed mix of stocks and bonds, just like the Federal employees get to do.

See, we have done this before. It's called the Federal thrift plan. Federal employees are given five programs from which to choose. The individual gets to choose what—the mix of stocks and bonds. But they're conservatively planned. And obviously, the more conservative a mix of stocks and bonds, the less risk you'll have. But it doesn't take much risk to get a better rate of return on your money than that which is in the Social Security trust.

Secondly, can you take it all out when you retire? No, it's there as part of your retirement. You're going to get some money out of the Social Security trust, and that money coming out of your personal account will be combined with the money out of the Social Security so that you can have a good retirement.

Thirdly, can you leave it to who you want? You bet. And that's what—where all of a sudden the plan begins to differ. Right now you can't. Right now you can't leave a dime of the money you put in the Social Security system to anybody. And under this plan, you will.

And so this is something I'm asking Congress to consider. Now, I understand it's hard. It's a new idea. It's a new way of thinking. But it's a—one good way to make sure this system is around for our younger workers. And there's a lot of benefits to it. And I'm looking forward to continue traveling our country talking about these ideas. That's one of my duties as the President: confront problems, say, "We got a problem."

And as you know, I'm here in Little Rock. And I was in Omaha and Fargo and in Montana; I'm heading down to Florida. And the idea is to say, folks, we got a problem; now let's work together. And sometimes in Congress, if they start to balk—or in the Senate, they balk, maybe it helps to have the people say, "I agree with the President. He says we got a problem. He showed the chart. And now let's—why don't we all come together and get something done?" And that's why I'm here, besides being able to be with the good folks of Little Rock, Arkansas.

Okay. Andrew Biggs is with us. He is the Associate Commissioner for Retirement Policy of the Social Security Administration, Washington, DC. In other words, he is an expert on the subject.

Andrew, step forth. Let the people of Arkansas—no, sit forth—let the people of Arkansas—[*applause*].

Andrew Biggs. Thanks very much.

The President. Tell them whether or not we got a problem or not, from your perspective.

Dr. Biggs. Put simply, we do, in fact, have a problem.

The President. By the way, this guy—Ph.D. See, I was a C student. [*Laughter*] He's a Ph.D, so he's probably got a little more credibility. I do think it's interesting and should be heartening for all the C students out there, notice who's the President and who's the adviser. [*Laughter*] All right, Andrew, get going. Andrew's got a good sense of humor.

Dr. Biggs. Thank you very much. [*Laughter*]

[*At this point, Dr. Biggs made further remarks.*]

The President. Thank you, sir. Good job. Erma Fingers Hendrix—she introduced me one time right here on the banks of the river, isn't that right?

Erma Fingers Hendrix. That's right.

The President. Eloquent then and still eloquent now. Thanks for coming.

Ms. Fingers Hendrix. Thank you, Mr. President.

The President. Proud you're here.

[*Ms. Fingers Hendrix made brief remarks.*]

The President. Thank you, Erma. Let me—it's very interesting—I think Erma's discussion here is important because she basically said, "I'm fine." And that's important for every senior to understand. She gets it. In other words, the—whatever the numbers and the talk and everything, it is clear that you have analyzed the situation and understand that nothing would change for Erma. And that's important.

There's a lot of—this system is a great system. It's worked for a lot of people. It is a very important part of our society. And therefore, those folks who use their Social Security check to help bring security in their retirement need to know that nothing is changing.

The interesting dynamic is that she has asked her grandson, who is 30, "What do you think?" See, that discussion never happened when I was 30. [*Laughter*] Think about that. I don't remember anybody calling me and said, "Are you worried about Social Security," because it was assumed everything was right—until our society changed, 'til the boomers began to retire, 'til the benefit promises were raised, until the number of payers paying in declined. And that's why it's important to take the idea that Franklin Roosevelt came up with, which is a—which worked well for a lot of people and make it work better for your grandson.

Thank you for coming, Erma.

Gloria Bennett. Where are you from, Gloria?

Gloria Bennett. I'm from De Queen, Arkansas.

The President. That's right next to "De King." [*Laughter*] All right, what do you do?

Ms. Bennett. I'm a part-time USDA food inspector. And as a part-time inspector, I do not get benefits for retirement. And I'm also a single parent.

The President. Yes.

Ms. Bennett. And being 43 years old, I fall somewhat in between where the Social Security will be there, but it will decline. So this personal account will benefit me. And also, if I pass away, it will also benefit my children where it could go to them——

The President. Yes.

Ms. Bennett. ——and it could go to their retirement, towards their retirement, or they could get the money right then. So my fears of if they will have retirement is just diminished right now because I know there is a plan. And with a plan there, and we put it in action, I don't think we will have any problem.

The President. Yes, well, listen, it's a very interesting point she says—she brings up this point, and that is that if she were to pass away and her children are over a certain age, the money she's put—or anybody put into Social Security just goes away. It goes on to the beneficiary, not your particular beneficiary but a promised beneficiary.

Now, think about that system. So work—somebody works hard, doesn't live long

enough to get the benefits, dies earlier than the national average, and that money that they put in the system—unless you've got younger kids—just is gone, goes to help somebody else. But it doesn't pass on to anybody that you decide you get to pass it on to. And that's what Gloria wisely pointed out is a flaw in the current system.

Now, you'll hear some people say, "Well, maybe some people don't know how to manage their account." I just don't buy that. I think we can help with financial literacy. But I'm going to tell you, the guidelines are going to be strong enough that people will be able to put their money in safe accounts. And that's important. I repeat, we have done this before—Federal employees. Not you—I imagine you're kind of hot about that, aren't you?

Ms. Bennett. Yes. [*Laughter*]

The President. Federal employees get a Thrift Savings Plan. They get to choose to put some of their money—and by the way, this is voluntary, is the other thing that—shouldn't we say to people, if it makes sense, give people a chance to make the decision as to whether or not they want this option so they can pass it on to relatives?

All right, Mark Darr, Benton, Arkansas.

Mark Darr. Yes, sir.

The President. Welcome. What do you do?

Mr. Darr. I'm an insurance agent here in Little Rock, Arkansas.

The President. Good.

Mr. Darr. And I deal with risk every day. And to me, it's a whole lot riskier not to do anything on this plan, to let it go. These numbers back here, it gets red really quick. The only red we like to see is Razorback red.

The President. Yes, you're going to bring up the Texas-Arkansas game a couple of years ago. But that's all right, you know? [*Laughter*] Go ahead.

Mr. Darr. But for us to just sit back and see these numbers go in decline is really stupid. And give us the chance to have a retirement. By the year 2042, the fund is gone. And that's about the time I'm going to retire. And I have two small kids, and if there's nothing for me or even if it's at a lower level, what it's going to be for them when they get ready to retire? And that gets kind of scary.

The President. Yes, that's an interesting—again, I'll repeat what I said earlier—I find it interesting then, this—I've traveled a lot and talked to people, but there's a lot of 30-year-old people like Mark who just say, "Why don't you listen to us all of a sudden when it comes to Social Security, because we don't think we're going to see anything?" In other words, a lot of people understand the numbers.

And it's not that hard; it's not that big a leap of logic to think about a system where more people living longer, getting greater benefits are supported by fewer people, like Mark. And the system just can't sustain itself. And a lot of young people know that in America. That's what has shifted in the politics, by the way. That's what Members of the Congress and the Senate must understand, that senior citizens are coming to the conclusion that nothing is going to change for them, but there's a lot of younger citizens saying, "What about me? What about somebody listening to my point of view on Social Security?—like Mark, because he understands that these numbers spell disaster.

And it's not only having no retirement system; it is how are we going to pay for people like George W. when he gets ready to retire? That's as big a burden as having no system at all, see? And that's the dilemma we're faced with.

Again, I repeat to you, these numbers are real; they're justifiable. You can ask the experts; the Social Security Administration has blessed them. These aren't created in some back room. These are transparent, open numbers, that says, every year, starting in 2018, we're going to have to come up with additional money to meet the deficits, in order to meet the promises. And

where that money comes from is either going to be your wallet or somebody else's wallet in the form of reduced benefits or great debt.

So now is the time, as Mark said, to be dealing with the problem. All options are on the table. I want Congress to come together, but I also want them to understand as they look at all options, one option is to allow young workers like Mark to start putting aside some of his own money in an account that gets a better rate of return than the current trust so he is likely to be able to get as close to the promised benefits as possible when it comes time for him to retire. That's what we're here to talk about.

Got anything else you want to say? How many kids you got?

Mr. Darr. I've got two kids.

The President. Are they here?

Mr. Darr. No, my wife is here, but we let the kids stay with somebody else today.

The President. That's good, probably. They get a little wiggly. [*Laughter*] Afraid the President would go on too long, like the State of the Union. [*Laughter*]

Listen, I've enjoyed this. I want to thank our panelists. All of us who have been fortunate enough to serve our country have a duty to confront problems and to debate in an open and honest way, be inclusive in our discussions, to welcome interesting ideas. This is a significant problem that we've got to deal with now. And I intend to keep reminding Congress about our duty. I intend to keep traveling our country, talking to the American people, reminding them they have a chance to influence the debate. And I'll keep calling upon the best spirit of those of us in public service to put our politics aside and to leave our generations to come better off with a security system that works.

We're headed toward peace in the world, more freedom at home. And that makes a guy feel pretty darn good, who's lucky to be your President.

God bless you all.

NOTE: The President spoke at 11:45 a.m. at the Robinson Center Auditorium. In his remarks, he referred to President Hamid Karzai of Afghanistan; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; President Viktor Yushchenko of Ukraine; and Janet Norwood, mother of Sgt. Byron Norwood, USMC, who was killed in Iraq on November 13, 2004, and Iraqi citizen and political activist Safia Taleb al-Suhail, both of whom were guests of the First Lady at the President's State of the Union Address on February 2.

Remarks in a Discussion on Strengthening Social Security in Tampa, Florida

February 4, 2005

The President. Go ahead and sit down, please. Thanks for the warm welcome. It's good to be back in Florida. I'm looking for my little brother, but he didn't show. [*Laughter*] It's okay, I love him anyway. Plus, he's doing a great job as the Governor.

Thanks for coming today. This is my fifth stop after the State of the Union Address to talk about important issues for our country. As you can see, I'm joined by some distinguished citizens who are going to share some of their thoughts about the Social Security system. That's what we're here to talk about. But before we get there, I do want to recognize some folks, and I've got some other things to say as well.

First, I am really proud to have been met at the airport and have traveled over with two Members of the Congress, starting first with United States Senator Mel Martinez; Congresswoman Ginny Brown-Waite—thank you for coming, Ginny Brown; Congressman Adam Putnam.

The Lieutenant Governor came, for which I am grateful, Toni Jennings. Thanks for being here.

Margaret Goodson is with us today. Margaret, please stand up. I met Margaret at the base of Air Force One. Margaret is a volunteer for Meals on Wheels. The reason I like to herald volunteers is, one, to encourage people to volunteer, but as well to remind our fellow citizens our true strength, the great strength of America, is the hearts and souls of our citizens, the fact that people like Margaret are willing to help somebody out—somebody, in this case, who's hungry.

If you're interested in serving the country, find somebody who is looking for shelter and help them find housing; love somebody who hurts; help somebody get rid of an addiction. You see, that's what—that's how you change a society. And Margaret, you're part of the army of compassion, and I want to thank you for your service.

We're headed toward peace, and that's important. We're still at war. I wish I could report to the Nation, during my State of the Nation and here in Florida, that the war is over. It's not—there's still an enemy that cannot stand America, that still wants to inflict harm on our people precisely because we refuse to relent in our love for freedom. But we're making good progress.

First, I want to thank the troops and their families for helping us stay on the offensive against the terrorists and the haters. Every time a terrorist is brought to justice, our children and grandchildren are safer. But as well, every time a democracy is born in a part of the world and around the world, our children and grandchildren are safer as well.

We've seen a remarkable, remarkable series of events when you think about it. In a very brief period of time, Afghanistan became a democracy; people were able to vote for a President of that country—they tell me, for the first time in 5,000 years. Millions of people showed up at the polls. The first voter was a woman who was not allowed to participate in democracy during the Taliban. And that's important for our children and grandchildren. The fact that Afghanistan is free sets a powerful example in a part of the world that is in need for powerful examples of a free society.

The Ukraine elected a President in the last 4 months. The Palestinians have elected a new leader who shows he's willing to stand up and fight off the terror. And we're—Condi Rice, by the way, is headed over there to work with both Israel and Palestinians to help Palestine develop a democracy.

If you're interested in true peace in the Middle East, like I am, I fully understand that for there to be true peace, the Palestinian people must be allowed to express themselves in the ballot box, give their opinions in the public square. There must be a free press. In other words, there must be a true democracy in order for there to be peace in the Middle East. We're headed that way.

And finally, as you know, last Sunday the Iraqi citizens, in spite of threats and violence and beheadings and all kinds of horrible acts, went to the polls by the millions. They defied the few acts of the terrorists. Every time a society becomes a free society, our children and grandchildren are better off, because free societies are peaceful societies. Democracies promote peace, and that's what we're interested in.

So I'm enthusiastic and optimistic about what is taking place in the world, and I believe the United States has a duty and an obligation, not only to future generations of Americans but to people who live in tyranny, to promote democracy wherever tyranny exists. I believe every soul yearns

to be free; that's what I believe. I believe everybody desires to be free. The Iraqi elections helped prove that point. The people did incredible, brave things in order to express their will. It's because people love freedom and, if given the chance to be free, they accept freedom.

Our mission in Iraq is to continue to stand with the Iraqi Government. We will not put an artificial timetable of withdrawal out. That would be a—such a decision would embolden an enemy. It would send the wrong signal. Here's the game plan. The game plan is to stand with the Iraqis, is to train them better, is to give them a chain of command, is to work with their junior officers so that the Iraqi units, which did very well on election day, have got what it takes to defend their own country. You see, this new democracy, like any new democracy, is going to want to defend itself. And as—and people say, "Well, are you sure they want to defend themselves?" I say, "Absolutely." Look what they did on election day. If they're willing to defy the terrorists by going to a ballot box, they're willing to take the training necessary to defeat the terrorists where the terrorists exist. And when Iraqis are ready to defend themselves, our troops are coming home with the honor they've earned.

I don't know about you, but the hug between the mom from Pflugerville, Texas, whose son died on the battlefield, and the woman whose dad had been—Saddam Hussein had ordered her dad's assassination, human rights activist inside of Iraq who voted and flew over to represent her country in Laura's box—I thought the hug was about as profound a measure of compassion and decency and respect and thanks that I've ever seen. It was a—[*applause*].

And for those of you who have got a loved one in the theater or has a loved one in the theater today, you got to know that the Iraqi people appreciate our sacrifices. And I believe generations of Americans to come will appreciate the fact that this generation not only stood strong in the face of a Saddam Hussein but stuck it out and helped the Iraqi people develop a democracy. Democracies lead to peace. And we have a duty to help this world become more free so our children and grandchildren can grow up in a peaceful world.

We have a duty to make sure there's a retirement system for our children too. And that's what I want to talk about. First of all, it's pretty interesting we're talking about Social Security, isn't it? It used to be called the third rail of American politics. If you touched it, you would be shocked—[*laughter*]—sometimes shocked out of politics. [*Laughter*] I campaigned on the issue because I thought it was important to do so. I also believe the role of a President is to confront problems, not to pass them on to a future President, future Congress, or a future generation.

So the question you ask is, do we have a problem? Well, here it is. When Social Security was designed, the life expectancy was about 60 years old. In other words, you were expected to live that long. Today, life expectancy is 77 years old. In other words, people are living longer.

Secondly, there is a group of folks fixing to retire, a big bulge of us. We're called the baby boomers. So not only are people living longer, but there's a whole bunch of people who are going to be living longer that are eligible for Social Security.

Thirdly, benefits are going up dramatically. So you've got a lot of people living longer, getting greater—with greater benefits promised. And what this chart will show you here is that you got fewer people paying in. In 1950, 16 workers were paying to the system to support one beneficiary. That obviously makes a system more affordable than one in which only 3.3 people are paying per beneficiary. Fewer workers putting in money to pay for more workers who are living longer and getting more benefits—that is a problem. And it's a problem defined by that chart, which shows that in 2018, the Social Security system goes negative, more money going out to

beneficiaries than coming in through payroll taxes. That's a fact. And every year thereafter, the gap grows wider.

So to give you an example, in 2027, the system will be $200 billion short. In other words, they collect X amount of payroll taxes, but because baby boomers like me are living longer and have been promised greater benefits, we're $200 billion short that year—that year. And the next year is bigger than 200 billion. In 3037, it's like 300 billion. And finally in—2037, it's 300 billion. In 2042, it's bust. Those are the facts.

So I see a problem. And I think it's time to address it square on. That's why I spent a great deal of time in the State of the Union. Now, this is not a problem for people who have retired or near-retired. This is not a problem for people who are now on Social Security who were born before 1950. It is not a problem. I don't care what they tell you. I don't care what the brochures say. The Social Security trust is sound and solvent for people who are counting on the checks today and people are going to be counting on the checks who are near-retired. It's just the way it is.

The problem exists for younger folks. The problem is, younger folks are going to be coming up in a world where either you got to raise taxes dramatically, borrow significant amounts of money, slash Government programs, slash benefits in order to make that red in that chart go away. And that's the dilemma we have right now. That's the problem those of us who are in Washington, DC, must confront, because every year you wait, the problem becomes worse for our kids.

I think now is the time to take on the issue. And that's exactly what I intend to do. That's why I have been to five States since the State of the Union, and that's why I'm going to continue traveling our country, saying to the American people, "Here's the problem." We'll have somebody else describe it as well. And the reason I believe that's important to do is because I think the American people actually have a lot to do with how Congress responds. You may not think that, but having been up there long enough to tell you how it works, you can make a difference in how people respond.

Once people recognize there's a little bit of denial in Washington—they'll say there's not a problem. There's a fair number of people who say, "It isn't a problem." If that's the prevailing view, nothing is going to happen. I fully recognize that. So step one is to say we have a problem. And step two is to start coming up with a solution. And I have a responsibility to be involved with that as well. It's one thing for a fellow to say, "You've got a problem. You all go figure it out." That's not my style. My style is to say, "We've got a problem, and we're going to figure it out."

All ideas are on the table except running up the payroll tax. And I don't care whether it's a Democrat idea, Republican idea, independent idea, I'm interested in ideas. And so I'm going to say, like I have been saying before to the United States Congress, "Bring them up. Let's see what you think we ought to do to solve the problem, and I'll work with you." This is not one of these moments where we're trying to gain political advantage. I think this has got to be a moment where people from both parties come together and say, "Here is a problem." For generations—it's not a problem for just Republican youngsters. It's not a problem just for Democrat youngsters. It's a problem for every youngster coming up in America. And therefore, I want to work with Members of the Congress. And so I said in my speech the other day, "Other people have had some good ideas. They're on the table. And if you want to lay one out, I promise you there won't be political retribution for having done so."

Now, I've got some of my own ideas. And I want to share one idea with you, and we've got some panelists here that think it's pretty good idea, too, and they're

going to give you a different perspective, perhaps, than the one I give you.

The way the system works is that you write a check—you don't write a check; they take it out of your check, a payroll tax, and it immediately goes to pay somebody's benefits. That's the way it works. It's a pay-as-you-go system, and we'll discuss that in a minute. What I think you ought to do is be able to take some of the money you're paying in and set up what's called a personal retirement account. First of all, there's a simple principle, and it's—actually, it's your money that's going into the Social Security trust. You're working, and you're paying the payroll taxes, and I think some of that money ought to go into a retirement account.

And why that is important is because with a conservative mix of stocks and bonds, you will be able to get—your money will be able to get a better rate of return than the money inside the Social Security trust. And by getting a better rate of return inside the Social Security trust, your nest egg will grow big enough to help you when it comes time to retire—not fully take care of all your retirement obligations, because you'll still have money in the Social Security trust, which you'll be able to receive at the appropriate time, but it will help complement the money. And that's important. And that's an important aspect of making sure that the promises made to the younger workers are more likely, or more closely to be delivered.

Secondly, I like the idea of promoting an ownership society. I think it makes sense to have people feel a stake in the future by owning something. I like the concept of people getting a quarterly statement about how their stocks and bonds are doing in their own personal account.

Thirdly, I like the idea of somebody being able to say, "My money has grown to X. I'm not going to necessarily need it to retire, and I want to leave it to whomever I choose to leave it to." In other words, your asset, your decision as to who ends up with the money that you have saved.

See, I think all these concepts are an important part of helping to strengthen Social Security for generations to come, the most important aspect of which is that the money will earn a greater rate of return than that which is now being earned in the Social Security trust. So a dollar will be a lot bigger when it comes time to retire than a dollar that had been kept in the trust. That's called the compounding rate of interest.

Now, some of you are beginning to glaze over. I understand. [*Laughter*] Think about private property in an account that you can pass on to who you want, that earns a better return than the current system, and you'll end up with more money.

Now, there's some rules, and it's important for you to know the rules. One, you can't take your money that you set aside in the personal account and go to the racetrack or take it to the lottery. You can't do that. There will be a prescribed mix of conservative stocks and bonds into which you can invest, similar to the employee thrift plan at the Federal Government level. See, this already exists, by the way. I haven't invented this. Federal employees now get to do that. They get to take a portion of their money and put it in a conservative mix of stocks and bonds, five different programs they get to choose from, so they get a better rate on their money.

Secondly, you can't pull it all out when it comes time to your—you can't take it all and then go to the track. [*Laughter*] You're not allowed to do that. You can take it out—withdraw it in an orderly fashion so as it complements your Social Security check. And those are important things for people to understand.

Thirdly, there are ways to make sure that you can invest in very safe certificates as you head into retirement. People are going to say, "Well, what happens if the stock market goes down the year I'm going to retire?" Well, first of all, you've had your

money in the market over an extended period of time. But if you're worried about that, there are ways to invest the money prior to retirement to help kind of shield from a cyclical market. What I'm telling you is these investment vehicles will be safe. There's all kinds of rhetoric about, well, you're not going to let people gamble their money. Well, if things are done in a conservative fashion, you will be able to achieve the objective of getting a better rate of return on your money and have more money available for you on retirement than if it had sat in the Social Security trust. In other words, that money will grow better.

It's very important for people to understand that there's going to be some tough decisions we have to make. And the purpose of personal accounts is not only more freedom, but it's to try to get your retirement nest egg close to that which has been promised. That's what we're talking about.

Now, that's one idea. And I'm willing to debate it and campaign on it and talk to people about it. And I expect the Congress to take it seriously, just like I'll take every idea that they put out seriously. This is going to require a joint effort to get the job done. And I'm looking forward to working with these Members. I've got—there's some sympathetic ears here, which I appreciate. Other Members are watching very carefully. They're listening carefully. If you've got a concern about Social Security, you tell your people about it. Just let me remind you, if you're a senior, nothing changes. And if you're a youngster, I'd be knocking on the Members of the Congress and the Senate's door to say, "What are you going to do about that chart to make sure I can grow up in a—[*applause*].

Olivia Mitchell is with us. Olivia, tell them what you do.

Olivia Mitchell. Thank you, Mr. President. I teach pensions and Social Security at the Wharton School at the University of Pennsylvania. And I thank you because in the last couple of years, the students are finally sitting up and paying attention because of what's in this graph.

[*At this point, Dr. Mitchell, director, Pension Research Council, Wharton School, University of Pennsylvania, made further remarks.*]

The President. Yes, it's a very important point she made. The private account—the private retirement accounts alone don't fix Social Security. They are part of a larger solution. And that's what's important to know. It's just the fact that you can earn better rates of return within a private account that it makes it—that it helps mitigate the other changes in the system that will be necessary to eradicate the red ink.

Dr. Mitchell. Absolutely right.

The President. Well, thanks for coming. Gosh, I'm—you know, it's interesting—well, anyway, I find it interesting that younger people are now paying attention to the issue. That's important. See, when the word gets out to the Congress that says there's a lot of young folks who are saying, "I don't think I'm ever going to see a dime unless Congress acts," that will get people acting, because there's a lot of young folks. The key is to make sure our seniors fully understand that they're not going to see anything change.

Dwight Dillard, right here. You worked—you've worked most of your life, haven't you?

Dwight Dillard. Yes, sir, I have.

The President. From where, initially?

Mr. Dillard. Initially, in the Midwest.

The President. There you go.

Mr. Dillard. Lee's Summit——

The President. Been there, Lee's Summit, Missouri. Fine place, by the way. Went to Lee's Summit High School—I didn't attend Lee's Summit High School; I actually gave a speech at Lee's Summit High School. [*Laughter*]

Mr. Dillard. Yes, and your father did too.

The President. Yes, he did. Ever since the Adams boys went to Lee's Summit,

there hasn't been a father and son President team go. [*Laughter*] Are you on Social Security now?

Mr. Dillard. Yes, sir, I am. I've been retired for about 10 years.

The President. Right. So he's receiving Social Security. Dwight, when we visited him back there, he just wanted to make sure the Social Security system stayed the same for him. If you're on Social Security today, you're not interested in somebody coming along saying, "Let's just change the rules." And that's not happening. I hope you understand that.

Mr. Dillard. Yes, I—yes, I do.

The President. Good.

Mr. Dillard. I understand it completely, and I'm—my worry is for my children and grandchildren.

The President. Right.

Mr. Dillard. That's my concern.

The President. That ought to be the concern of every grandparent and parent, when you start thinking about the facts: 200 billion in 2027, bigger the next year, bigger the next year, bigger the next year, and bust in 2042. So I appreciate you coming. You got anything else you want to add, Dwight?

Mr. Dillard. No, sir—other than I think it should be acted on, the sooner the better.

The President. By the way, Dwight worked at Sheet Metal Local Number Two Union. This is—what we're talking about here is, we're talking about a plan for everybody. This isn't just a management plan; this is an everybody plan. This is an idea that we've all got to come together—whether you're union or management, Republican or Democrat, people from all walks of life must put their minds together to get something done, so our youngsters are not strapped with a system that's going to make it hard for this country's economy to continue to remain the best in the world, where people are not going to be able to realize their dreams. That's what we're talking about.

So thanks for coming, Dwight.

Mr. Dillard. Thank you, sir.

The President. You did a heck of a job. Carlos—Carlos Huertas. *Bienvenidos.*

Carlos Huertas. Gracias.

The President. Why were you interested in joining us? First of all, let's talk about your family.

[*Mr. Huertas, support engineer, PerkinElmer, Riverview, FL, made brief remarks.*]

The President. Very good. And—so tell me about—let's see, what do you do for a living?

Mr. Huertas. I'm a support engineer for a company that makes—manufactures electronic laboratory equipment.

The President. Good, yes. How's business?

Mr. Huertas. It's good. Actually, it's a very good company.

The President. It's good to hear. It's nice to hear, isn't it? Actually, speaking about business, we had some good news today. The national unemployment rate dropped to 5.2 percent, and 146,000 jobs were added in January. That's good.

Mr. Huertas. That's very good.

The President. Keep going. You're planning for your retirement, although you're awfully young.

[*Mr. Huertas made further remarks.*]

The President. Yes, see, it's an interesting thing, what he's saying. First of all, he says he's got a 401(k). When I was coming up, those were three numbers and one letter in the alphabet. No one knew what it meant, 401(k). There's a different mentality amongst younger folks in America. A 401(k) means it's a plan that he owns and he manages. That's how the retirement system works. He gets the statements.

Mr. Huertas. Right.

The President. He sees the mix of stocks and bonds grow. I presume it's been growing.

Mr. Huertas. Yes, it has. And the thing I like about the proposed reforms to Social Security is that, just like I do on the 401(k), I can invest in the market where I get a better return, plus I can keep control of my finances just like I like it.

The President. Yes. See, people say, "Well, I wonder if I can do that?" In the employee thrift plan, you've got five plans to choose from. We're not talking about needing to become a great financial analyst in order to make decisions. These are decisions that are commonsense decisions that anybody can do over—with a little—just a little confidence. And you might explain to people how easy it is in a 401(k) to make rational decisions for your own money.

Mr. Huertas. Normally, there's a manager, right, that is the finance manager that controls the funds. All you need to do is decide how much money you want to put on each account. And of course, there's always a choice of—whether you are younger, you usually put more money on the risky finances and less money on the other one. When you are older, like I'm getting, I will put less money on those risky—[*laughter*].

The President. I wish I was your "old." [*Laughter*]

Mr. Huertas. So anyway, it's pretty simple. There's obviously a lot of funds out there. But my understanding is that in this reform, there's going to be just a few of them.

The President. Yes, just a few choices to choose from, and no high-fliers, reasonable—reasonably managed risk. And that's important for people to know.

Thanks for coming, Carlos. You did a fine job there.

Mr. Huertas. My pleasure.

The President. Yes, I'm looking forward to meeting your wife, sons, and daughter.

Jennifer—Jennifer has got the hardest job in America. She's a single mom.

Jennifer Lalani. Well, thank you. Thank you.

The President. All right, Jennifer, what do you do?

Ms. Lalani. What do I do? Besides raising my two lovely children, which again, like you said, it is the hardest job, the most challenging job, but the job I really, truly love—I'm actually a pharmacist. And I currently work for a major chain, and what I do is I manage 30 of their stores.

The President. So you're a manager?

Ms. Lalani. Yes, so being a mom was a great training ground for the corporate job. [*Laughter*] It taught me about multitasking.

The President. Very good. Nice long word, multitasking. Very good. [*Laughter*] Inject a little intellectual strength here in this conversation.

Ms. Lalani. Yes, there you go. Corporate talk.

The President. That's right. It is. All right, tell me what your concerns are on the Social Security plan.

[*Ms. Lalani, district pharmacy supervisor, CVS, Windermere, FL, made further remarks.*]

The President. Yes, that's an interesting point. I don't mean to interrupt you, but it's a great point. If you put a lot of money in the system and you die early and your child is over a certain age, that asset of yours goes to somebody else. That's the way the system works. In other words, you have nothing left over, under the current system; that's what you're saying.

Ms. Lalani. Absolutely. From what I've read, these personal retirement accounts, whatever is in there would go on to your estate and to its heirs.

The President. Absolutely.

Ms. Lalani. I think the single moms out there who have to help fund their kids' college education, if they were to pass on, at least there would be something there for the children.

The President. Precisely. The point is, is that as Jennifer has mentioned, it's her money that she has been paying in, but

yet there was nothing there to give. And there's something—I think one can achieve peace of mind by having assets that you call your own, that you can pass on. And that's one of the interesting aspects of a personal account. It's, to me, promoting the idea of a mom working and saying, "This is—I'm building up this for my kids," is really an important part of a stable and generous society.

And so I want to thank you for bringing that up. Good job.

Ms. Lalani. Thank you.

The President. By the way, people say, "Can you afford to do this?" Well, first of all, I don't think you can afford not to do it. But we have got a plan; our idea is that we phase in these accounts slowly so that the transition cost is manageable in the budget process. In other words, these things just don't start all at once. You can start by putting $1,000 aside or up to 4 percent, which is ever less, and over time that grows $100 a year so, eventually, you get to the 4 percent cap—4 percent of your income. So if you're making $90,000, you can have an account of 3,600 a year. But it's going to be phased in so that the transition cost is manageable.

We believe—this administration believes that the slower you start and let these accounts grow, the more people will see that it's fiscally—a fiscally responsible way to begin a brandnew idea.

Jim Browne. He's the youngest guy up here. Congratulations. [*Laughter*] All right, what do you do?

Jim Browne. I work for the Pinellas County government at the tax collector's office. [*Laughter*]

The President. Great. Thank you. [*Laughter*]

Mr. Browne. Sorry.

The President. That's good, he knows something—in other words, he's an expert on the subject. [*Laughter*] You had some interesting things to say.

Mr. Browne. Yes. Well, first off, I'd like to say how much I appreciate you bringing up the subject of the future of Social Security. For many of my generation, we don't anticipate the system being there for us as it stands.

The President. Let me stop there. Hear what he said? First of all, when I was 27 years old, I don't remember having a discussion with anybody about whether or not Social Security would be there. Any other baby boomers here remember talking about Social Security and its viability when we were 27? No. The dynamic has changed. There are 27-year-olders all over the country saying, "Is the system going to be there, and what are you going to do about it?" Go ahead. [*Laughter*] Not, what are you going to do about it; what I'm going to do about it. [*Laughter*]

[*Mr. Browne, tax assistant, Pinellas County, FL, made further remarks.*]

The President. Portability means when you change jobs, the account goes with you. It's yours, like, forever, until you pass it on to somebody else. Good point. I wish I'd have thought of that. [*Laughter*] Is that it? You're full of wisdom. You might as well—you're on a roll. [*Laughter*]

Mr. Browne. Well, I just hope that Congress will work together in a bipartisan fashion, because this is—well, this is something that is not going to be anything that's going to disappear anywhere in the near future. Well, actually, the way it stands, it just might. [*Laughter*]

The President. No, it won't disappear in the future because there's still going to be liability—people are still going to want the checks the Government has promised. The problem won't go away. It just gets worse. That's exactly right. When you're getting your check and the Government says they're going to give you one, you expect it. And so as this thing gets redder and redder and redder, the measures become more and more draconian to make sure we fulfill the obligations.

It's not going away. You're right, it 's not. Bankrupt doesn't mean it disappears;

bankrupt means it's just flat broke. And it means we're going to have to do something dramatic to fix it. And now is the time to get after it.

Listen, a good presentation by all the people up here. I hope this helps you understand that this is—I mean, it's one thing for me to come and kind of opine; it's another thing for people who have thought about the issue to give you their opinions. And there's a lot of people like them all over the country who are concerned enough to come on a stage, by the way, in front of all these cameras and express their opinions. And I want to thank you all for doing it.

Let me—I'll answer some questions, if you've got time. Let me answer some questions, and we'll get out of here. You did good. Thank you. You've got the best view in the house. [*Laughter*]

Any questions? Yes, sir.

Social Security "Notch" Issue

Q. [*Inaudible*]

The President. Yes, 19—he's worried about the "Notch" issue. We don't think that's going to be an issue. Before 1950, everything stays the same—before your—before those—for those who were born on 1950 and before, everything stays the same. And afterwards, the program will be—a personal account will begin to affect them.

Yes, ma'am.

Transition Costs

Q. [*Inaudible*]—to the way you're proposing?

The President. Yes, she's asking about the cost of the transition. It's estimated about 600 billion over a 10-year period of time to get the personal accounts started on the—the way we've suggested they grow. It's a good question.

Yes, ma'am.

Proposed Reforms

Q. [*Inaudible*]—really understand how is it the new plan is going to fix that problem?

The President. Because the—all which is on the table begins to address the big cost-drivers. For example, how benefits are calculated, for example, is on the table; whether or not benefits rise based upon wage increases or price increases. There's a series of parts of the formula that are being considered. And when you couple that, those different cost-drivers, affecting those—changing those with personal accounts, the idea is to get what has been promised more likely to be—or closer delivered to what has been promised. Does that make any sense to you? It's kind of muddled.

Look, there's a series of things that cause the—like, for example, benefits are calculated based upon the increase of wages as opposed to the increase of prices. Some have suggested that we calculate—the benefits will rise based upon inflation as opposed to wage increases. There is a reform that would help solve the red if that were put into effect. In other words, how fast benefits grow, how fast the promised benefits grow, if those—if that growth is affected, it will help on the red.

Okay, better? I'll keep working on it. [*Laughter*]

Yes, sir.

Q. How do you like these hard questions?

The President. You know—you watch my press conferences? [*Laughter*] Please don't encourage him. [*Laughter*]

Scope of Personal Retirement Accounts

Q. I've heard this is going to be a volunteer personal account.

The President. Yes, it is.

Q. And also would a employee or a worker be able to go above and beyond what the Government is going to require if we decide to enter the program?

The President. Yes, interesting question. You can through an IRA, for example. I can't answer that as—what he's saying is, is that if he has a personal account, can he contribute more beyond that which is

being contributed through a part of his payroll taxes. I would think so, yes, but I'm not sure. I do know, however, that you can complement a personal retirement account through the Social Security system with an IRA, which helps to achieve the same objective, basically setting up a personal account.

Thank you.

Yes, sir—yes, ma'am.

Q. First of all, I'd like to say that I'm a volunteer, one of your very loyal and dedicated volunteers in Plant City.

The President. Well, thank you.

Q. And I'm very happy to have you as the President.

The President. Thank you.

Q. Thank you.

The President. Okay, okay, wait a minute. Thank you very much. I appreciate you saying that. Now, having said that, however—[*laughter*].

Disability Benefits

Q. I do have a question. I'm on Social Security.

The President. Right.

Q. And I'm disabled, and I just wondered if there's going to be an intensified program into some of the disability benefits that they have now.

The President. No.

Q. Okay. [*Laughter*] Whatever program that you put out for Social Security, I'm fully behind it. You have my support.

The President. Thank you, ma'am. I appreciate that. Yes, ma'am. Her question was—see, there is a Social Security benefit as a part of—there is a disability benefit as a part of Social Security. It won't change. We're talking about the retirement aspect of Social Security.

Yes, ma'am.

Youth and Social Security

Q. Will it help me when I grow up? [*Laughter*]

The President. That's a loaded question. [*Laughter*] Yes. It's—that's the fundamental reason we're here, is that the system isn't going to be worth a darn unless we do something about it now. Thank you for asking that question.

Yes, ma'am.

Former Gov. Robert Martinez of Florida

Q. President Bush, welcome to Tampa. We're so happy you're back.

The President. Nice to be back, thank you. Good to see my friend, the former mayor, Martinez, here.

Q. Yes, we're so excited about Senator Martinez.

The President. The other Martinez—I'm talking about——

Q. Oh, I'm sorry. [*Laughter*] My bad.

The President. Former Governor Martinez.

Flexible Spending Accounts/Management of Personal Retirement Accounts

Q. Can I make a suggestion, as well as ask a question?

The President. You can do anything you want now that you got the mike. [*Laughter*]

Q. Well, I think you'll like this. It's a simple suggestion. Regarding the flexible spending account, my suggestion is to encourage Congress to quickly get rid of the "use it or lose it" law, which will also supplement the help with Social Security. And then, my question is, for the three or four options that will be available, will those options be federally run options? Or will they be from, like, commercial providers, say, like Fidelity Investments?

The President. No, no, that's a great question. They'll be from providers. We don't want the Federal Government making stocks and bond decisions. They'll be private—private sector, people who get paid to do this. And the fees, by the way, will be—we'll make sure that you don't get gouged. I mean, obviously, what we want is people's money going into their personal account, not going into big fee structures. And so there will be a—it will be regulated to that extent. In other words, there will

a certain sense of regulation; you can only invest in certain kinds of stocks and bonds to be—and the funds will be managed by people whose job it is to manage them, outside of the Government.

Let's see here—yes, sir.

Contributions to Personal Retirement Accounts

Q. Thank you, sir. I'm 19.

The President. Yes.

Q. And I want to invest as much money as I possibly can in the market because I feel I can make a lot better return on my rate.

The President. Okay.

Q. What is the—how much can we put in? What's the most we can put in to these private accounts?

The President. How much do you make?

Q. Well, I'm a student.

The President. Guess. [*Laughter*] Go ahead, guess how much you're going to make. First of all, let's just assume you make $50,000 your first year. Over time, when this is phased in, so we can afford it, you'll be able to put 2,000 a year into your personal account from the payroll taxes. In other words, there will be a 4 percent cap on what you can put in. And if you make more money, you can put more money in.

But you can also—by the way, to answer this man's question, you can set up another savings account. You can set up your own IRA. And there's all kinds of options for the IRA to do that.

I like your attitude, man. Good luck. Are those your buddies next to you? Just met them. Okay. [*Laughter*] Would you recommend I call on them? All right, fine.

Q. Which one?

The President. Yes, sir. Either one—both.

Financial Literacy

Q. Hi, I'm a high school student. I'm just wondering is there anything I can do to prepare for this new Social Security reform when I grow up?

The President. Yes, it is. That's a good question. You know, one of the issues is financial literacy, is to pay attention to what it means, how stocks and bonds work, a compounding rate of interest. That's a very good question. A lot of people, when you say the interest grows at a certain—over time at a certain rate, people are not really sure what we're talking about. And I think the idea of becoming more literate in financial matters is a smart idea.

I also—the fact that you're here and paying attention to the issue—this is a political issue. This is an issue that is going to require Congress moving on. And sometimes it requires the people expressing their desires to get Congress moving on the issue.

And I want to thank you for coming and paying attention. I'm not so sure when I was your age I would have showed up and hear some old guy talking about—[*laughter*]—talking about an issue like that.

Yes, sir.

Political Involvement/Investments in Personal Retirement Accounts

Q. Thank you, Mr. President. Firstly, I'd like to say something that just—my generation doesn't believe that it will be there in its current form. I strongly believe that. I don't believe the system will be there for me. I'm 28 years old.

The President. Well, there's one thing on that. That's what's changing the debate. That's what gives me confidence that people who are—have been elected can stand up and be rewarded for taking on the issue, not punished, because there are thousands of people like him who say, "I don't think I'm ever going to see anything, and what are you going to do about it?"—particularly once our seniors are convinced nothing is going to change. And that is a very important point.

Go ahead.

Q. My question is, first of all, how do you prevent agendas from getting into the investment choices that we'll have? And two, what can I do to help you?

The President. Well, I appreciate that. You can—well, you can start by writing your Senators. One of them is sitting right here. I know he agrees with what we're doing. [*Laughter*] He's in good shape. [*Laughter*] Well, I'm not picking on anybody. Just—there's two of them, and here's one. You can just verbalize with one.

So, it's a very interesting question, what can you do to stop agendas? I'm not exactly—I'll try to read what you mean in that question. It also—it kind of teams up with this woman's question here about, will Government be kind of getting people to make certain kinds of investments? And the answer is no. Government's job is to make sure that the risk portfolio—in other words, the mix of investments—is suited to getting a good return at lower risk. But Government's job is not to try to steer you to one industry or another. We don't want Government making investment decisions on behalf of the American people. We want American people with good advisers making investment decisions.

And that's a good question. The Government's role is to set the guidelines. In other words, there will be—and we do this. The thrift savings account—if anybody works for the Federal Government, is an investor in the thrift savings account, you know what I mean. There's a series of five different programs that you can choose from that have been, obviously, carefully screened, and it combines a mix of stocks and bonds so that, like a 401(k), you can—higher risk portfolio the younger you are, if you feel like it, and a lower risk portfolio with a lower rate of return the older you get. And there's—people are expert at managing this in the private sector.

Listen, I can stand here all day long answering questions, but I'm not, because I've got to go back and have dinner with First Lady Laura Bush, and I can't wait.

Thank you all for coming. God bless. Thanks for being here.

NOTE: The President spoke at 4:07 p.m. at the Tampa Convention Center. In his remarks, he referred to Gov. Jeb Bush of Florida; President Hamid Karzai of Afghanistan; President Viktor Yushchenko of Ukraine; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; former President Saddam Hussein of Iraq; and Janet Norwood, mother of Sgt. Byron Norwood, USMC, who was killed in Iraq on November 13, 2004, and Iraqi citizen and political activist Safia Taleb al-Suhail, both of whom were guests of the First Lady at the President's State of the Union Address on February 2.

The President's Radio Address
February 5, 2005

Good morning. This week, in my address to Congress and the American people, I was pleased to report that the state of our Union is confident and strong. Many challenges still lie before us, and I will work with Congress to do what Americans have always done, leave a better world for our children and grandchildren.

Meeting this responsibility to the future starts with being good stewards of the American economy. I welcome the bipartisan calls to control the spending appetite of the Federal Government. On Monday, my administration will submit a budget that holds the growth of discretionary spending below inflation, makes tax relief permanent, and stays on track to cut the deficit in half by 2009. In the long run, the best way to reduce the deficit is to grow the economy, and we will take steps to make the American economy stronger, more innovative, and more competitive.

We must also strengthen and save Social Security for our children and grandchildren. For those of you born before 1950, I have a message: The Social Security system will not change in any way for you. For younger workers, the system has serious problems that will grow worse with time. With every year that passes, we have fewer workers paying ever-larger benefits to ever-increasing numbers of retirees. In 2018, Social Security will be paying out more than it takes in. By the time today's younger workers retire in 2042, the system will be bankrupt unless we act now.

Fixing Social Security will require an open, candid review of the options. I will listen to anyone who has a good idea to offer, and I will work with Members of Congress to find the most effective combination of reforms. As we proceed, we will adhere to a few basic principles. We will make Social Security's finances permanently sound, not leave the task for another day. We will not increase payroll taxes. We will make the system a better deal for younger workers by allowing them to save some of their payroll taxes in voluntary personal retirement accounts, a nest egg they can call their own which Government can never take away.

Our second broad responsibility to the future is to preserve and pass on the values that sustain a free society. We must continue to build a culture of life that respects human dignity while advancing science. To promote the compassionate character of America, we will pursue initiatives to fight the scourge of HIV/AIDS, help our at-risk youth reject gangs and violence, and help prevent wrongful convictions in our courts. I will continue to nominate well-qualified judges who understand the proper role of courts in our democracy, and the Senate must fulfill its constitutional responsibility and give every nominee an up-or-down vote.

Finally, our commitment to human dignity and freedom at home also leads us to spread freedom and peace around the world. We remain at war against the forces of terror, and we will not rest until the fight is won. We will continue to hunt down terrorists abroad, so we do not have to face them here at home. Our budget will give our military all the tools they need for victory, and we will also honor the sacrifices of the fallen by increasing substantially the payments made to the families of our service men and women who have given their lives in the war on terror.

Recently, we have seen freedom's gathering momentum in Afghanistan, the Palestinian Territories, Ukraine, and last Sunday, in Iraq. On that day, millions of brave Iraqis defied the threats of terrorists and cast votes to determine their nation's future. The whole world can now see that the assassins and car-bombers are doomed to fail, because they are fighting the desire of the Iraqi people to live in freedom. And when Iraq is democratic, at peace with its neighbors, and able to defend itself, our Nation will be safer, and our troops will return home with the honor they have earned.

The work ahead is not easy. But we go forward with confidence, knowing that America's best days are yet to come.

Thank you for listening.

NOTE: The address was recorded at 9 a.m. on February 4 at the Omaha Hilton in Omaha, NE, for broadcast at 10:06 a.m. on February 5. The transcript was made available by the Office of the Press Secretary on February 4 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks Following a Cabinet Meeting and an Exchange With Reporters
February 7, 2005

The President. This is my first Cabinet meeting of the year 2005. I welcomed new members of our Cabinet to the table and congratulated them on their confirmations. Today we discussed a lot of issues. I reminded them that the war on terror goes on, that—but mainly discussed the issue of the budget.

We're submitting our budget today. OMB Director Josh Bolten will be presenting the budget at noon. It is a budget that sets priorities. Our priorities are winning the war on terror, protecting our homeland, growing our economy. It's a budget that focuses on results. The taxpayers of America don't want us spending their money on something that's not achieving results.

It's a budget that reduces and eliminates redundancy. It's a budget that is a lean budget. People on both sides of the aisle have called upon the administration to submit a budget that helps meet our obligations of—our goal of reducing the deficit in half over a 5-year period, and this budget does just that. Discretionary spending is—will increase at a rate less than inflation. Plus, we've begun some reforms on the mandatory side. Congress needs to look at this budget, and Congress needs to act on this budget in a fiscally responsible way.

I'll be glad to answer some questions. Terry [Terence Hunt, Associated Press].

Visits by Israeli and Palestinian Leaders

Q. Mr. President, what do you hope to accomplish by inviting Prime Minister Sharon and President Abbas to Washington separately? And why do you think there's a better chance of success now, than early effort—earlier efforts like the Red Sea summit?

The President. First of all, Prime Minister [President] * Abbas comes to the table with a mandate from a lot of Palestinians. He has been through an election. He was endorsed by the Palestinian people.

Secondly, any meeting is part of a process, because in order to achieve the objective of two states living side by side in peace, there needs to be a level of trust between all parties—"all parties" being, obviously, Israel and the Palestinians but trust with the United States, trust with the United Nations, trust with Europe, trust with the parties who are going to be investing in a Palestinian state, for example. And so what you're watching is a process unfolding, where people are becoming more trustworthy.

I have been impressed by Prime Minister [President] * Abbas's commitment to fighting off terror. I've been impressed by what he is—his public statements. I've also been impressed by the fact that Israel helped the Palestinians have an election, went out of their way to make sure that people were allowed to go to the polls. And the meetings just indicate that there's more work to be done, and I look forward to meeting with them.

Steve [Steve Holland, Reuters].

Fiscal Year 2006 Budget

Q. Thank you, sir. How hard is it going to be to get Congress to go along with your budget when it cuts some popular programs that Congress has refused to go along with in the past?

The President. Well, that's a great question. I look forward to explaining to the American people why we made some of the requests that we made in our budget. I fully understand that sometimes it's hard to eliminate a program that sounds good.

* White House correction.

But by getting people to focus on results—I was saying to Members of Congress, "Show us the results as to whether or not this program is working"—I think we'll get a pretty good response.

I will tell you, we go into this process upbeat because we've worked closely with the Congress the last four budget cycles. And the Congress appropriators—Congress and the appropriators met our budget requests. I mean, there's a collaborative effort. We've had a history of being successful in terms of passing good, strong budgets, and so I'm very optimistic that we can do so again this year. Josh Bolten will be up, outlining the budget, our Cabinet Secretaries will be talking about certain aspects of their respective budgets, and I think people will see that it's a commonsense approach to the budgets.

April [April Ryan, American Urban Radio Networks].

Q. Yes, Mr. President. I'm ready, too. [*Laughter*]

The President. Did somebody tip you off that I might call upon you, or is it just——

Q. I've been watching you lately. [*Laughter*]

The President. All right. [*Laughter*]

Q. First of all, you're talking about equality and keeping everything on a level playing field for everyone. Many people are saying that this budget proposal is not even. You're cutting out many programs for the disadvantaged. And also, what was one of the main programs that you cut that you really had a hard time in cutting as you looked at things that were copies of another?

The President. I'm going to let Josh answer the degree-of-difficulty question because we've—we're asking for Congress to cut and/or reduce 150 different programs. The important question that needs to be asked for all constituencies is whether or not the programs achieve a certain result. Have we set goals, and are those goals being met? And the poor and disadvantaged absolutely ought to be asking that question too. In other words, what is the goal of a particular program? And if that goal isn't being met, the question ought to be asked, why isn't the goal being met?

And that's the questions we've been asking. And after a while, we get tired of asking that question. So, finally, it is to take resources and direct them to programs that are working. And that's what you'll find in the education budgets and the health budgets, for example. And those are very legitimate questions, and the people deserve to have them answered, which this administration will answer in a forthright fashion.

Thank you all for coming.

NOTE: The President spoke at 11:15 a.m. in the Cabinet Room at the White House. In his remarks, he referred to President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority. A reporter referred to Prime Minister Ariel Sharon of Israel. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks to the Detroit Economic Club in Detroit, Michigan
February 8, 2005

Thank you all. Please be seated. I've seen head tables before—[*laughter*]—I've never seen one quite so long. [*Laughter*] Thanks for having me. It's great to be back in Detroit. You know, we're only a few weeks into the New Year, but at the White House we've already had a lot of excitement. There was the Inauguration. Then we had Iraqi elections and then a visit from a

group of very tall men—[*laughter*]—the mighty Pistons of Detroit.

I appreciate you having me. I appreciate you giving me a chance to come and share some thoughts with you. Dieter, thank you very much for that fine introduction. Never mind about the English language thing. [*Laughter*] Beth, thank you very much for organizing this event. It's good to be here with Rick Wagoner and Bill Ford, part of the mighty Big Three in the Detroit area. I want to thank Joe Knollenberg and Sandie, the Congressmen from the great State of Michigan. Cardinal Maida, it's great to see such a strong leader and such—one of the great faith leaders of not only this State but the country.

I appreciate the mayor being here. Mr. Mayor, it's good to see you. I may see your mother this afternoon, and I'll tell her you're looking just fine. [*Laughter*]

Glad to be here with the secretary of State of Michigan, Terri Lynn Land, the attorney general, Mike Cox. I appreciate all the State and local officials who have come out. I want to thank all the college students—middle school, high school, and college students who are here as part of the Detroit Economic Club Student Program. It was my honor to have shaken a lot of hands. I hope my advice was good, which was to aim high, make right choices, and listen to your mother. I'm still listening to mine. [*Laughter*]

Today when I landed at the airport, at the base of Air Force One was a fellow named Jim Comer. He is an active volunteer in the VIP Mentoring Program. The reason I like to bring up people like Jim is to remind people that the greatest strength of the country is the hearts and souls of the citizens of our country. That's our true might. And every chance I get, I like to herald those individuals who are taking time out of their lives to make a difference in somebody else's life.

And what Jim Comer does is he mentors children who have got a parent who may be—who is incarcerated. I can't think of a greater gift, a more noble cause than to surround a child who may hurt with love. And so, Jim, I want to thank you for being here. For those of you who may wonder how best to serve our country, find somebody who hurts and help them with your compassion and your decency.

Thank you, sir. I'm glad they gave you a good table. Thanks for doing it.

This is my second trip to the Detroit Economic Club. I was here as a Presidential candidate back in 2000, right before the Michigan primary. You can't win them all. [*Laughter*] That day I said no generation could afford to take its prosperity for granted and that the job of the President is not to think about the Dow Jones today but to look down the road. That's exactly what I told the folks that were here. Little did I realize what that road would mean.

We've been down a challenging road together since the last time I came to address the Detroit Economic Club. After all, we had a stock market decline and recession. We've had corporate scandals. We had an attack on our homeland, and we've got the demands of an ongoing war. But this Nation confronted these challenges head on, and as a result, we have rebuilt our economy and we're improving the security of our Nation.

What I said in 2000 remains true today: No President should ever take America's economic growth for granted. We have an obligation to do what Americans have always done, and that is to build a better tomorrow for our children and our grandchildren. And that's what I'm here to talk about today.

We're moving forward with an ambitious agenda to ensure that our economy remains the freest, the most flexible, and the most prosperous in the world. Our strategy has three pillars. We will insist on a budget that limits and tames the spending appetite of the Federal Government. We will work with Congress to pass legislation that promotes economic growth and makes sure the

entrepreneurial spirit is strong all throughout America. And we'll reform the institutions fundamental to American society.

I understand these are big goals. But the job of the President is to confront problems, not to pass then on to future generations, future Presidents, and future Congresses.

The first pillar of sound economic policy is spending restraint in Washington, DC. Yesterday I sent a budget to the United States Congress. I would call it a disciplined budget. My budget reduces spending—reduces spending—on nonsecurity discretionary programs by one percent, the most disciplined proposal since Ronald Reagan was in office. It holds discretionary spending below the rate of inflation. It includes vital reforms in mandatory spending that will save taxpayers $137 billion over the next decade. It meets our Nation's essential needs. It keeps us on track to cut the deficit in half by 2009.

Now, all budgets have got to be based on priorities, and mine are clear: The Government's most solemn duty is to defend and protect the American people. In a time of war, we will always provide our military and homeland security personnel with the tools they need to do their jobs. And so our budget raises defense spending by almost 5 percent and funds critical upgrades in homeland security, such as a new program to secure our chemical plants, ports, and public transportation systems.

Protecting America imposes costs that are large, and they are necessary. That means we have a duty to show even more discipline about spending in other areas. Leaders in Congress and in the business sector have expressed their concerns about Federal spending, and I've listened. And so I've delivered a budget that reflects our mutual concerns. And now Congress needs to join with me to bring real spending discipline to the Federal budget.

Spending discipline requires difficult choices. Every Government program was created with good intentions, but not all are matching good intentions with good results. And so we looked at how programs are working. Or as I told my Director of the OMB, Josh Bolten, let's focus on results. My 2006 budget eliminates or substantially reduces more than 150 Federal program that are not succeeding, that are duplicating existing efforts, or that are not fulfilling an essential priority.

For example, there's a program called Even Start. It was created more than 16 years ago to build literacy in low-income families. We're all for that. I can't think of anybody in the Congress who is not for helping low-income families become literate. The problem is, is that after three separate evaluations it has become abundantly clear that the program is not succeeding. People are not becoming more literate. Families in Even Start have made no progress toward literacy—no more progress than a similar group of families outside the program.

See, I think it makes sense for all of us involved in public policy to say to the appropriators, "Show us whether something works." Even Start is not working, and so I've asked that the program be eliminated and focus resources on things that do work.

We're also working on mandatory programs. These are programs fixed by formula, over which the Congress and appropriators have no discretion except to fix the formula. For example—let me give you one example of where I think there needs to be change to save taxpayers' money. It's commonsense change. It is a reasonable approach to farm policy. Right now the Federal Government pays individual farmers as much as $360,000 a year in subsidy. I think that no farmer should get $250,000 a year in subsidy. That makes sense. That will save the American taxpayer $1.2 billion over the next decade. These are the kind of reforms that are necessary to earn the trust of the American people. And to bring budget discipline, it is essential that those who spend the money in Washington adhere to this

principle: A taxpayer dollar ought to be spent wisely or not spent at all.

To reduce deficits, we must do more than just spending restraint. We've got to make sure we have progrowth economic policies. We've got to do things to make sure this economy continues to expand, in order to create jobs, increase wages, and enhance the entrepreneurial spirit. I mean, I love the entrepreneurship of America. I think it's what makes us a unique place. I can't tell you how positive it is when I hear the stories of person after person who creates his or her own job, regardless of their status in America. There's nothing better than to be a part of a society in which, if you dream the big dream, you can achieve that dream. And that's why progrowth economic policies are vital for a positive future for America.

So the second pillar of a sound economic policy is to build on an environment that encourages initiative, lowers the cost of doing business, constantly thinks about how to promote economic vitality and growth.

Progrowth policies have helped overcome a recession and helped make this country's economy the fastest growing of any major industrialized nation in the world. Over the past year, America has created more jobs than Germany, Japan, Great Britain, Canada, and France combined.

Parts of our country struggle, just like Michigan. I'm very aware of that. But that's all the more reason to make sure our economy is more flexible and that we remain competitive. The goal ought to be America must be the best place in the world to do business.

A progrowth strategy must ensure that tax relief is here to stay. Most new jobs in America are created by small businesses. Many of those businessowners pay business taxes at the individual tax rate. In other words, they're Subchapter S corporations, sole proprietorships. And when individual tax rates are high, it affects the capacity of a small business to accumulate and spend capital. The tax relief we passed lowered all tax rates on people who pay taxes. Yet in 2011, those tax rates are scheduled to go back up. If Congress fails to act, taxes on dividends and capital gains will also go up, and the child credit will be reduced, and the death tax will come back to life. [*Laughter*] Allowing these scheduled tax increases to take effect, allowing taxes to go back up would only discourage growth and cost this country jobs and reduce paychecks. The United States Congress needs to make the tax relief permanent.

A progrowth strategy must address the growing burden of junk lawsuits. Last month I met Bruce McFee, who runs a manufacturing company in North Lansing. A few years back, Bruce bought a company called Sullivan Palatek. In the 1940s, another company with the name "Sullivan" in it made a product with asbestos. The two companies are in no way related. But that hasn't stopped trial lawyers from filing 53 asbestos claims against Bruce's company.

Here's what he said about the lawsuits: "If they put us out of business, the replacement is going to be an overseas business. I believe there are hundreds of companies in the same mess, and it's sucking money out of our State." And he's right.

Junk lawsuits have driven the cost of America's tort system to more than $240 billion a year, greater than any major industrialized nation. Think about that. It creates a competitive disadvantage in a global economy, for the American economy to have so many lawsuits. It imposes unfair costs on job creators. It raises prices for consumers. Our legal system must serve the cause of justice, not the interests of trial lawyers. Congress needs to pass meaningful class-action and asbestos legal reform this year.

A progrowth strategy must roll back excessive Federal regulation. Many of you in this room probably spend hours filling out paperwork to send to Washington, DC. I can't promise you any of it has ever been read. [*Laughter*] We've got to understand

that. People writing the regulations must understand, the people who are implementing regulations must understand that. And we're making some progress. We've streamlined tax reporting requirements for small businesses, and that saved American entrepreneurs an estimated 50 hours—50 million hours of unproductive work. And there's more to be done. We've got to strip away unnecessary mandates. We want people figuring out how to hire people, not hiring people to fill out forms.

A progrowth strategy must confront the cost of—the rising cost of health care. I understand that. Whether it be the automaker or the family restaurant in Michigan, escalating health costs are making it difficult for people to do business and to get the coverage they need for their workers. More than half of the uninsured are small-business employees. To me, that makes sense to start there. To make sure the health care system works, why don't we address the reason why small businesses aren't able to afford health care. And one of the reasons why is because they're not able to get the economies of purchase that big companies are able to do. We ought to allow small businesses to pool across jurisdictional boundaries so they can get the same discounts that big companies are able to do.

I'm a big believer in tax-free health savings accounts. If you're a small-business owner or a sole proprietor, I urge you to look at health savings accounts. They're innovative ways for people to control their own destiny when it comes to health care, get catastrophic coverage to give them security, and be able to pass from one year to the next on a tax-free basis any money you do not spend in your health account. And to make them more widely available, we ought to—we will, if Congress passes laws that allow us to provide incentives for small businesses and low-income workers to open up health savings accounts.

We should create a national marketplace for health insurance, so people can shop on the Internet across State lines to get high-quality coverage at lower prices. That makes sense, doesn't it—to break down barriers to create a marketplace for the consumer when it comes to health care. To reduce the cost of medicine for every doctor, every patient, and every business, Congress needs to pass medical liability reform this year.

A progrowth strategy must ensure affordable, reliable supplies of energy. It is hard to be in a growing economy if you're not sure whether or not you got energy, if you're not sure whether or not there's cost certainty when it comes to energy. As you found out here in Detroit and others found out across our Nation during the blackout that hit this city two summers ago, a disruption in energy supplies can cause and will cause serious problems in our economy. And so that's why I sent Congress a comprehensive energy strategy almost 4 years ago. And as I said in the State of the Union the other night, 4 years of debate is enough. We don't need debate; we need action when it comes to an energy plan.

And that plan must modernize the electricity grid, and it must encourage conservation, and it must encourage increases in domestic production. And we can do so in an environmentally friendly way. We're spending money—and important money and good money—on new technologies such as clean coal technologies and ethanol and hybrid and fuel cell vehicles. I believe that we ought to expand the use of safe and clean nuclear power. And I think we ought to allow for exploration in environmentally responsible ways in the Arctic National Wildlife Refuge.

For the sake of this economy and for the sake of national security, Congress needs to pass an energy plan and get it to my desk as soon as possible so we can become less reliant on foreign sources of energy.

A progrowth strategy requires a policy of free and fair trade. America is the home

to about 5 percent of the world's population. That means 95 percent of our potential customers are abroad. Millions of American jobs—and this is important for the people of Detroit to understand—millions of Americans jobs are supported by exports, including one in every five factory jobs. Here in America, it's the fifth largest exporting State. You know firsthand that economic isolation would mean economic disaster.

My administration has worked hard to open up markets for U.S. products. We've completed free trade agreements with 12 countries that will open up markets of 124 million consumers, and that's good. That's good for entrepreneurs. Listen, if you're good at something—and we're good at a lot of things—we ought to break down barriers so we can be selling to people. And I'm going to continue to work to open up markets. And at the same time, we will vigorously enforce trade laws that are on the books. You see, with a level playing field, our businesses, our entrepreneurs, and our workers can compete with anybody, anytime in the world.

The third pillar of a sound economic policy is to put in place reforms that will keep America's businesses and workers competitive in the century ahead. It is time to confront great challenges. If you care about the quality of life for our children and grandchildren, now is the time—not later but now is the time to confront problems.

To keep America competitive, we've got to make sure that the education system works. The No Child Left Behind Act is working. We have challenged and are challenging the soft bigotry of low expectations. We will not stand for a school system that gives up on kids and just moves them through. So now we're asking the question, "Can you read and write and add and subtract?" And when we find a child that needs help, we're providing help early, before it's too late. There's nothing better than setting high standards and having accountability to make sure every child learns. And it's working. There's an achievement gap in America that is growing—is narrowing every year. And we've now got to extend those reforms to our high schools so that a high school diploma means something.

The fastest growing occupations in America require at least 2 years of college. And so we're going to reform our job training system and strengthen our community colleges to help thousands of workers get the—gain the skills they need to fill the jobs of the 21st century. You know, one of the wonderful things about the community college system is that they're flexible, and they're available, and they're affordable. And for those youngsters who cannot afford a community college or for those workers who cannot, we're going to increase the size of Pell grants to help them afford a community college and/or a college education.

What we want is, we want the education system to actually educate people for the jobs which exist. And that's why I'm such a big believer in the community college system. Curricula can change with the times. Flexibility is important when it comes to helping our workers gain the skills necessary to fill the jobs of the 21st century.

To keep this country competitive, we've got to change our outdated immigration laws. This economy will be stronger and our Nation will be more secure by having a rational system when it comes to immigration. First, I don't believe, and I'm against blanket amnesty. Secondly, we need to know who's coming in and out of our country. And thirdly, I believe that we ought to allow a willing worker and a willing employee to match up so long as an American won't fill the job.

I don't like a system which encourages illegal trafficking on the borders, fake documents, smuggling in the desert in the heat of the day. We're more compassionate than that. This country ought to say, "If you're a willing worker and an employer can't find

an American, we ought to match them up for a period of time." This is a guest worker program that will bring sense to border policy and employment policy in the United States of America and, at the same time, treat people with dignity.

We got to simplify the Tax Code if we want to have a progrowth economy. Today, this code of ours and its accompanying regulations are almost 11 times longer than the complete works of Shakespeare. [*Laughter*] And he wrote a lot. [*Laughter*] To help you determine how much you owe the IRS, our Government kindly offers hundreds of separate forms, instructions, worksheets, and publications. [*Laughter*] A growing number of Americans also have to calculate their tax burden twice, once under the regular tax rules and once for the alternative minimum tax. And then when you're done figuring out both totals, you get to pay the higher amount. [*Laughter*] No wonder we now have more people in the business of preparing tax returns than we do in the entire United States Army.

Americans shouldn't need advanced degrees in accounting to fill out their tax returns. So I've appointed a bipartisan commission led by former Senators John Breaux, Democrat, and Connie Mack, Republican, to examine the Tax Code, top to bottom. I will receive their recommendations, and I will work with the United States Congress to deliver a Tax Code that is progrowth, easy to understand, and fair to everyone.

And to keep this America—country of ours competitive in the 21st century, we have got to honestly and openly address the structural problems of Social Security. In the last few days, I've traveled to North Dakota and Florida and now to Michigan to discuss my ideas and plans. And I'm going to continue traveling. I'm going to spend a lot of time on this issue because I feel strongly that we better address it. And I'll tell you why.

I've reminded everybody I've spoke in front of that the Social Security system was one of the great moral successes of the 20th century, and I believe it was. And I assured them that today's seniors do not have a problem with Social Security. For those who have retired or nearing retirement, born before 1950, the Social Security system is fiscally sound and will not change at all. And that's an important message for our seniors to hear: "You're in fine shape, and nothing is changing."

But I warned every audience I've spoken in front of that the Government has made promises to our younger workers that it cannot pay for. Social Security will go broke when some of our youngsters get ready to retire, and that's a fact. And the whole world is watching to see whether or not we've got the courage to fix this problem. It's part of our structural deficit. Social Security means that we've got unfunded liabilities, debts that we owe to future generations that are going to be real hard to pay. And here's why.

Half a century ago, about 16 workers paid into the system for every one person drawing benefits. That's a nice, healthy contribution ratio, 16 to 1. But today, it's 3.3 workers to one. And over the next few decades, the numbers paying in for every beneficiary will be 2 to 1, two workers for every beneficiary. But that's only half the problem. The other problem is people like me, what they call baby boomers, are fixing to retire, and there's a lot of us. And not only are we fixing to retire; we're living longer, much longer than when the Social Security system was first designed. And not only that, the benefits that the Government has promised are going up. They're increasing. So think about it. With every passing year, you've got fewer workers who will be paying ever higher benefits to an ever larger number of retirees.

And that is the math. Thirteen years from now, in 2018, the Social Security system will be paying out more than it takes in. That's called being in the red. And every year afterwards, the problem gets worse. The shortfall is bigger than the year

before. So, for example, in the year 2027, the Government will somehow have to come up with an extra—in other words, above and beyond the payroll taxes being collected—an extra $200 billion in that year alone to keep the system afloat. And in the year 2033, that shortfall will have grown to $300 billion. We've got a problem, and it is plain to see. It is such a problem that in the year 2042, the system is going to be broke.

If you're a younger person, you ought to be asking Members of Congress and the United States Senate and the President what you intend to do about it. If you see a train wreck coming, you ought to be saying, "What are you going to do about it, Mr. Congressman, or Madam Congressman? Are you going to sit there and let the train run over younger workers, or are you going to act?"

I'm calling upon the Congress to act, because if we don't act now, imagine what life is going to be like trying to fill the hole. When you're 200 billion short, and a couple of years later you're 300 billion short, and the shortfalls grow every year, there aren't many options available to you if you don't do something now. In other words, you can raise taxes significantly; that will wreck the economy. You can dramatically slash benefits. You can borrow a lot of money. But whatever the case is, the closer you get to the day in which we start going into the red, the problem only accelerates.

And that's why I stood in front of the United States Congress and said, "Why don't we work together to fix this system—not for those who've retired; you're fine—but for a young generation of Americans coming up." And I fully understand that any long-term solution is going to require the discussion of a lot of options. And that's why I told the Congress, with the exception of running up payroll taxes or raising payroll taxes, all options are on the table.

There have been a lot of interesting suggestions from the United States Senator from New York named Daniel Patrick Moynihan, who, unfortunately, passed away, or to President Clinton. Over time, people have suggested different options, different ideas as to how to permanently fix Social Security for younger workers. Nothing changes for older workers. Some have suggested limiting the benefits for wealthy retirees. Others have suggested indexing benefits to prices rather than wages. Some have been bold enough to suggest increasing the retirement age. Some have thought it's a good idea to change the benefit formulas or include penalties for early collection of Social Security benefits. I'm going to work with Congress. To any Congress man or woman, regardless of party, bring forth your ideas.

Now, there are some who say we don't have a problem. I suspect over time the voters are going to say to those folks, "You better figure out we've got a problem. Just don't pass it on. Show some leadership." And then they're going to say to people like me and those of us who recognize we have a problem, "Come on. Show me your ideas." And that's what I want to assure the people of the Detroit Economic Club: I'll be open to anybody's ideas.

And I got an interesting idea for younger workers that I want the Congress to consider. I believe we have a chance to make a better deal for our younger workers, and that is I believe younger workers, if they so choose, ought to be allowed to set aside some of their own money in the form of payroll taxes into a personal retirement account.

I think the first principle involved here is that it's the younger workers' money. It's not the Government's money, to begin with. It's your money. You're working hard. And a personal account would allow that person to invest in a conservative mix of stocks and bonds. You know, you can't take it to the lottery. [*Laughter*] You can't go across the river and roll dice with it. [*Laughter*] There's guidelines about that

which you can invest in. And these accounts would have low administrative fees. They would provide simple and easy to understand choices, just like the Thrift Savings Plans used by Federal employees. These moneys would be available for retirement. In other words, you couldn't withdraw money prior to retirement. And obviously, there would be a limit on that which you could withdraw. You can't pull it all out at one time. It's meant to supplement the Social Security check you'll be getting from the Federal Government.

And so why does this make sense? And by the way, we will phase these plans in—the retirement accounts in, over time, eventually allowing a worker to set aside 4 percent of his or her gross pay in the form of a personal account. And the reason you allow them to phase in is so that they become easier to pay for the transition costs, is a fiscally sound way of approaching this issue.

Now, here's why I think they're—I know they're a better deal for younger workers. The rate of return on a conservative mix of stocks and bonds will be greater in a personal account than that which the younger worker is earning in the Social Security trust. In other words, you get—your money works for you better.

And that's important. Take the young person who earns an average of $35,000 a year over his or her working career. By the time he or she retired, their personal account would be nearly $250,000. Think about that. That's the power of the compounding rate of money. That's what that means. Over time, your money grows, in the most conservative of stocks and bonds.

That money would provide a nest egg for the owner of the account. It would supplement that person's Social Security retirement income. It is money that that person can pass on to whomever he or she chooses. Best of all, the accounts would be replacing the empty promises of Government with the real assets of ownership. A personal account would be your account. You would own it, and the Government could never take it away.

Now, I'm looking forward to discussing with Congress this issue. We have a fantastic opportunity to show our country that people can put aside their party and work what's best for the future. And I'm looking forward to it. And I'm looking forward to traveling the country, telling people as plainly as I can that we've got a problem, and I'm willing to work with people to come up with a solution. And I'm willing to put out interesting ideas—at least I think they're interesting—[*laughter*]—to help people understand there is a way forward and, at the same time, promote what I like to call an ownership society.

I think all public policy—or as much public policy as possible—ought to encourage people to own something. I want more people owning their own home. I can't tell you how exciting it is to meet a first-time homeowner. I've never seen this, personally, as the President, but I can just imagine somebody opening their door of their home and say, "Welcome to my home. Welcome to my piece of property." I like the idea of people from all walks of life starting their own business. I've met entrepreneurs all across America who've said, "I've started my business. I'm an employer. I'm excited about the future."

We want people owning and managing their own health care accounts. That's why I believe health savings accounts are an important part of helping to control the cost of medicine. And we want people controlling and owning their own assets when it comes to their retirement. The more people own something in America, the more likely it is a—future generations of America will have a vital stake in the future of this country.

No one knows the power of ownership better than American entrepreneurs. John Bailey is with us. It's an interesting story about entrepreneurship and optimism. Nine years ago, after a life in public relations,

he found himself trapped in a company that offered no hope for advancement. His wife—sounds like a pretty straightforward woman; I'm about to quote her—kind of reminds me of Laura. She said, "What part of writing on the wall can't you understand?" [*Laughter*] "They don't want people over 50," is what the wife was telling John. He didn't get discouraged. He responded in true American fashion. He went out and he founded his own firm. And today, John's business is one of the largest public relations firms in Michigan.

And here's what he had to say: "It's very daunting to go out there. But I learned that it can be done, that hard work and strong ethic pays." He went on to say, "It sounds corny, but good guys do finish on top."

The dream of a hopeful America is to say that if you work hard and dream big, no matter who you are, you can finish on top.

Thanks for letting me come. God bless.

NOTE: The President spoke at 12:23 p.m. at the COBO Conference/Economic Center. In his remarks, he referred to Dieter Zetsche, chief executive officer and president, Chrysler Group, DaimlerChrysler; Beth Chappell, president and chief executive officer, Detroit Economic Club; G. Richard Wagoner, Jr., chairman and chief executive officer, General Motors; Bill Ford, chairman, Ford Motor Company; Sandie Knollenberg, wife of Representative Joe Knollenberg; Adam Cardinal Maida, Archbishop of Detroit, MI; Mayor Kwame M. Kilpatrick of Detroit, MI, son of Representative Carolyn C. Kilpatrick; Michigan State Attorney General Mike Cox; and John J. Bailey, president, John Bailey & Associates, Inc.

Remarks at a Celebration of National African American History Month
February 8, 2005

Good afternoon, and welcome to the White House, the people's house. Laura and I are pleased you're here so we can celebrate together the 79th celebration of African American History Month. We're here today because of the dedication and persistence of a man named Dr. Carter G. Woodson.

In the 1920s, Dr. Woodson argued that if African Americans were to take their rightful place in society, young Americans of all races needed to learn about the black contribution to our history and culture. So in 1926, he launched the first black history week. Today, a movement that began in black churches and schoolrooms is observed all across America, including the White House. Welcome.

The civil rights pioneers of Dr. Woodson's era also had another dream, a national museum to celebrate the history and achievements of African Americans. On December 16, 2003, I was proud to sign legislation that will create the National Museum of African American History and Culture within the Smithsonian Institution. Laura and I are pleased to welcome to the White House so many who were instrumental in the passage of that legislation and those who will help us make the museum a reality.

I welcome Members of the Congress. Senator Chris Dodd, thank you for coming. Rick Santorum, Sam Brownback, and Barack Obama, welcome. Congressman Mel Watt, the chairman of the Congressional Black Caucus, is with us. Thank you for coming, Mr. Chairman. Eleanor Holmes Norton, Delegate from the District of Columbia; Jack Kingston from the State of Georgia—welcome, Congressman, thank you for coming. And finally,

Congresswoman Carolyn Kilpatrick. Now, I've got a report for you: Today I was with her son, the mayor of Detroit, who looked mighty special. [*Laughter*] Welcome.

It's such an honor to be with Dr. Dorothy Height. You look great. Thanks for coming, Dorothy.

Members of the Council of the National Museum of African American History and Culture, thank you for serving. Today is the first day in which folks are able to contribute to the building of the museum. Laura and I want to be one of your first contributors, and so I—you know where to find me. [*Laughter*]

I'm honored that members of the original Tuskegee Airmen have joined us. We're proud of your service. I told the members of the Tuskegee Airmen how important the example they set for those who wear our uniform today, and it is a shining example. And you've just got to know that you've made a huge difference in the lives of a lot of people.

I also want to welcome Mary Moore, or "Rosie the Riveter." Thank you for coming. We're proud you're here. Frederick Douglas IV and his wife, B.J., are with us. Thank you for coming. And Cicely Tyson—the ever-beautiful Cicely Tyson.

As we celebrate this month, we must remember a great actor, Ossie Davis, who passed away on Friday. Laura and I and many in this room were honored to salute Ossie and his remarkable wife, Ruby Dee, at the Kennedy Center Honors last December. The entire Davis family are in our prayers. May God comfort them in their sorrow.

I appreciate so very much the chance to have gone to Goree Island in Senegal. Laura and I traveled there during my Presidency. It was an amazing experience for us. It was gut-wrenching to see the cramped cells where Africans were held right before they began their journey to America in chains. We stood in the "door of no return." I'll never forget that feeling. It's a door through which so many innocent men, women, and children passed through. They would be loaded as cargo on to ships for the long voyage across the Atlantic to a future of slavery and servitude.

You know, it reminded me, standing in that door—as I think back to standing in that door, it reminds me how important the museum is going to be, because young Americans study this shameful period in history in their schools, and they read their textbooks, but most young Americans will never go to Goree Island or get the same sense that we felt.

And so when the National Museum of American History and Culture opens—and it will open—visitors will be able to have a much more vivid sense of what slavery meant for real men and real women. It is important to know—and this museum is going to be a really important museum, because it's important that our children know that there was a time in their Nation's history when one in every seven human beings was the property of another. They need to know how families were separated, denied even the comfort of suffering together. It's an important lesson of a shameful period that the young must never forget.

And they need to know that bigotry and discrimination did not end with slavery, that within the lifetimes of their own parents and grandparents, Americans were still barred by law from hotels and restaurants, made to drink from separate water fountains, forced to sit in the back of a bus, all because of the color of their skin. We need to teach them about the heroes of the civil rights movement, who by their courage and dignity forced America to confront the central defect of our founding.

And we all need to learn more about the men and women whose determination and persistent eloquence forced Americans of all races to examine our hearts, revise our Constitution and laws, and make America into the Nation it was always supposed to be.

The theme of this year's African American History Month is the 100th anniversary of the "Niagara Movement." Led by W.E.B. DuBois and John Hope and William Monroe Trotter, the Niagara Movement rejected any accommodation with discrimination and challenged our Nation to grant its African American citizens the same rights enjoyed by other Americans. In so doing, it helped lay a foundation for the civil rights movement that would change America in the decades that followed.

Like Dr. Woodson, W.E.B. DuBois placed his hopes in our youngest citizens, those who had not yet been taught to hate. So he directed his call to them. He said, "We appeal to the young men and women of this Nation . . . Stand up for the right, prove yourselves worthy of your heritage and . . . dare to treat men as men." His appeal echoes across a century, doesn't it? It made sense then; it makes sense now. And serves to remind us that while slavery has been abolished and segregation outlawed, the struggle for justice and equality has not yet ended.

At the start of this new century, we will continue to teach habits of respect to each generation. We will continue to enforce laws against racial discrimination in education and housing and public accommodations. We'll continue working to spread hope and opportunity to African Americans with no inheritance but their character, by giving them greater access to capital and education and the chance to own and build and dream for the future. In this way, African Americans can pass on a better life and a better nation to their children and their grandchildren, and that's what we want in America.

We're making progress, but there's more work to be done. Today, American schools are no longer separate, but they're not yet equal. Too many of our children still face what I have called the soft bigotry of low expectations. With the No Child Left Behind Act, we've raised expectations. We believe every child can learn, and we expect every school to teach. And we measure. And guess what's happening? Test scores are going up. There's an achievement gap for minority children that is closing in America.

Today, the minority homeownership rate in America is at an alltime high. That's incredibly good news. I love it when more and more people open the door to their house and say, "Welcome to my home"—not just, "Welcome to where I live," but, "Welcome to my home." And we'll continue to expand opportunity for homeownership in America.

We'll work to strengthen families. Children from two-parent homes are less likely to end up in poverty or drop out of school. It's important that families be strong in America. HIV/AIDS brings suffering and fear into so many lives, and so we need to focus on fighting this disease among those with the highest rates of new cases, African American men and women. We need to give our young people, especially young men in inner cities, better options than apathy or gangs and jail. And I want to thank Laura for taking on this incredibly important initiative to help young men realize a great future in America.

You know, in the last half-century, the cause of liberty has made great strides in this country and around the world. At each stage and on every front, African Americans have helped to lead this advance. African Americans struggled peacefully for their own freedom on the streets of Birmingham and on the Mall here at Washington, DC. Some of you were probably there. They have fought for America's freedom on distant battlefields, and at this moment many are serving bravely in Afghanistan and Iraq. And we respect their courage, and we honor their sacrifice.

They know, as we do, that success of freedom on the homefront is critical to its success in foreign lands. As I said in my Inaugural Address, we cannot carry the

message of freedom and the baggage of bigotry at the same time.

We've made progress, and our work is not yet done. But we can proceed with faith in our country and confidence in our cause. See, history moves toward freedom because the desire of freedom is written in every human heart. As W.E.B. DuBois declared nearly a century ago, "The battle for humanity is not lost or losing . . . The morning breaks over blood-stained hills. We must not falter. We must not shrink. Above are the everlasting stars."

I want to thank you all for coming. Thank you for helping us celebrate this month as well as to make it clear to our fellow citizens we have a chance to build a fantastic museum, right here in the heart of Washington, DC, on the Mall, to stand proud. And I'm confident there will be an appropriate web page—[*laughter*]—for people to be able to tap in. Perhaps you should start, if you're interested, in going to the Smithsonian web page, and I suspect there may be an avenue that will direct you toward this important museum and cultural center, that will enable our fellow citizens to participate in helping to build it.

There will be a reception at the end of the hall here. We're really thrilled you're here. And may God continue to bless our great country.

NOTE: The President spoke at 3:19 p.m. in the East Room at the White House. In his remarks, he referred to Mayor Kwame M. Kilpatrick of Detroit, MI, son of Representative Carolyn C. Kilpatrick; civil rights leader Dorothy I. Height; and actor Cicely Tyson. The National African American History Month proclamation of February 7 is listed in Appendix D at the end of this volume.

Message on the Observance of the Lunar New Year, 2005
February 8, 2005

I send greetings to those celebrating the Lunar New Year, the Year of the Rooster.

For many Asian Americans, the Lunar New Year is a special time of thanksgiving and celebration. It has long been an opportunity for families to honor the past and welcome the future. In marking this special occasion, you help preserve your rich heritage and ensure that your values of family, faith, and respect for tradition are passed on to future generations. This observance also reminds all Americans of the unique fabric that makes up our country and the diversity that has made our Nation stronger and better.

Laura joins me in sending our best wishes for peace and prosperity in the New Year.

GEORGE W. BUSH

NOTE: An original was not available for verification of the content of this message.

Message to the Congress Transmitting a Report on Implementation of the Plan for Securing Nuclear Weapons, Material, and Expertise of the States of the Former Soviet Union
February 8, 2005

To the Congress of the United States:

Consistent with section 1205 of the National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314), I am providing a report prepared by my Administration on implementation during 2003 of the plan for securing nuclear weapons, material, and expertise of the states of the former Soviet Union.

GEORGE W. BUSH

The White House,
February 8, 2005.

NOTE: This message was released by the Office of the Press Secretary on February 9.

Remarks Following Discussions With President Aleksander Kwasniewski of Poland and an Exchange With Reporters
February 9, 2005

President Bush. The President and I will have opening statements. I'll answer a question from the American press; he'll answer a question—or somebody will answer a question from the Polish press. And we'll do this twice.

Thank you all for coming. Welcome back to the Oval Office. It is my great pleasure to welcome my friend back here to discuss important international policy and policy related to our bilateral relationship. We've discussed and will continue to discuss very important issues. We'll talk about, of course, Iraq and our mutual desire to train Iraqis so that they can defend their own freedom. We'll talk about my trip to Europe. I'm looking forward to advice from my friend.

We'll continue to discuss the Ukraine, and let me just step back and say that I'm impressed by the leadership of President Kwasniewski when it came to the Ukraine. He showed remarkable leadership. And the people of Ukraine are better for it, and the world appreciates that, and I appreciate it.

We'll spend time continuing to talk about the importance of our bilateral relationship, whether it be trade and commerce or whether it be the ability of Polish folks to travel to the United States of America. The visa policy of the country has been under review for a while, and now we've got a way forward to make trips to America easier for Polish citizens.

I want to thank you for your leadership on that issue, Mr. Prime Minister. I mean, Mr. President. Excuse me. I demoted him. [*Laughter*] Well, it's not a demotion.

President Kwasniewski. No.

President Bush. It's a lateral transfer. [*Laughter*] Anyway, I am thrilled you're here and look forward to seeing you not only over lunch but in Brussels on my trip. Welcome.

President Kwasniewski. Thank you. So I should speak Polish in the beginning.

Mr. President, ladies and gentlemen, first of all, I would like to express my joy that this is my fourth visit already to the White House, visiting President George W. Bush.

I want to tell you that we talked about Polish-American cooperation, which has now a strategic, lasting character. And in the recent years, we have had many successful events in cooperation with the United States.

During our meeting today, we talked about Iraq. Poland participates in the stabilization mission in Iraq, and we are full of optimism thinking about that country and about the successful completion of our mission.

We have been talking about the transatlantic relationships, and we are very happy that America is getting closer and is having better and better relations with our European neighbors and also with Poland. We talked about bilateral cooperation, and both President Bush and myself talked about the adoption of the roadmap that is going to solve the visa problem. And it implies concrete decisions that are going to be made in relation to the visa regime, doing away with some old information—old data, statistics concerning the immigration violation from before 1989, easing the procedures, review of different—[*inaudible*]—that are connected to the visa system, and further cooperation with the Congress in order to facilitate the process as much as possible.

We hope that the roadmap that has been accepted will be a very good solution. Poland will have to observe many rules, and it will bring about a final doing away with this problem that has been present in our talks for many years now.

I would like also to say that as far as the thank-you words concerning Ukraine are concerned, everything wouldn't be possible without the participation of the United States. And without the United States role, it wouldn't be possible to finish the crisis situation in Ukraine and strengthen democracy in that country. It is the success of Ukraine and the Ukrainian people, but it is also the success of all of us.

President Bush. Very good, thank you. Deb [Deb Riechmann, Associated Press].

Iran

Q. Mr. President, Secretary Rice said today in Brussels that the United States would not tolerate foot-dragging by Tehran on accounting for their nuclear programs. Is time running out for Iran to come to terms with the European negotiators?

President Bush. The Iranians just need to know that the free world is working together to send a very clear message: Don't develop a nuclear weapon. And the reason we're sending that message is because Iran with a nuclear weapon would be a very destabilizing force in the world.

And I look forward to going over to Europe to continue discussing this issue with our allies. It's important we speak with one voice. I'm very pleased with the response that European leaders have given to Dr. Rice on this issue. She has made—her trip, by the way, has been a fantastic trip. I want to thank Aleksander, the President, for being so gracious to her on the first leg of her trip and—or one of the first legs on her trip. But the message is, is that we're going to speak with one voice, and we'll continue to do so.

Yes, Polish——

President Kwasniewski. Yes, please, Polish press.

Visa Policy

Q. I have a question to President Bush. Are you going to—concerning the visa problem, are you going to support the legislation being introduced in the Congress? I talked to some Congressmen; they say they keep receiving mixed signals from the White House concerning the issue.

President Bush. Well, we've got a way forward to answer the questions of a lot of the Members of the United States Congress to get this issue solved. And the President has been very hard at work in helping develop a roadmap that is fair to the Polish people. And I adopt the principles and accept the recommendations of the roadmap, and that will become the basis for legislation.

Adam [Adam Entous, Reuters].

Medicare Drug Benefit

Q. Mr. President, Mark McClellan is now acknowledging the new Medicare drug benefit will cost $720 billion, far more than the White House initially said. Will you consider steps to lower the cost? Might Medicare be a bigger problem now than Social Security?

President Bush. Well, there's no question that there is a unfunded liability inherent in Medicare that we're—Congress and the administration is going to have to deal with over time. Obviously, I've chosen to deal with Social Security first. And once we accomplish—once we modernize and save Social Security for a young generation of Americans, then it will be time to deal with the unfunded liabilities in Medicare. The same issue that deals with—creates a problem with Social Security creates a problem for Medicare. In other words, baby boomers are retiring with fewer payers going into the system. And I look forward to working with them.

Listen, the reforms haven't even begun yet. I signed a piece of legislation last year, and the major reforms of providing prescription drugs for our seniors kicks in next year. And I look forward to watching those reforms take effect. I'm convinced they'll have cost savings for our society, and I know it will make the life of our seniors better.

And so we look forward to working with Congress to make sure that the Medicare reforms that are in place are fully enacted, and the people can realize the benefits of them.

U.S. Aid to Poland's Armed Forces

President Kwasniewski. [*Inaudible*]

Q. I've got a question to President Bush.

President Bush. Yes, well, that's generally the way it works.

Q. Sir, will the United States increase its assistance in modernization of Polish armed forces?

President Bush. We—Aleksander and I, the President and I, talked about that. He has been very insistent that—about our mil-to-mil relations. He's been very forthright and very clear, and I appreciate his leadership on this issue. I am—intend—I say "intend" because our system is one where I make requests; Congress has to appropriate the money. But we will make requests that will enable there to be a mil-to-mil expenditure to help Poland modernize and fulfill its mission of about $100 million this year.

Now, again, I repeat, I don't get to write the checks in the American system. The Government—the Congress does that. But I get to put out requests. And I assured the President that would be—when it's all said and done, that would be the request that we would put forward. I'm confident the Congress will respond.

Listen, Poland has been a fantastic ally, because the President and the people of Poland love freedom. And I know the people of your country must have been thrilled when the millions of people went to the polls and showed that people from all parts of the world want to live in a free society, just like your great nation has shown the world over the last decade.

So, Mr. President, welcome. Thanks for coming. I value our friendship.

President Kwasniewski. Thank you, Mr. President.

President Bush. Thank you all.

NOTE: The President spoke at 11:50 a.m. in the Oval Office at the White House. President Kwasniewski spoke partly in Polish, and those portions of his remarks were translated by an interpreter.

Remarks in a Discussion on Class-Action Lawsuit Reform
February 9, 2005

The President. Carlos, thank you. Thank you all. Not so fast, Senator. Carlos, thanks. I appreciate your service, Carlos. Thanks for agreeing to be the Cabinet Secretary. Thanks for leaving the private sector to come to Washington and bring your family here to serve our country. You're going to be—he's going to be a great Secretary. And for those of you here who work in the Commerce Department, you're lucky to have him as a boss. Welcome.

I appreciate my friend Orrin Hatch joining us. Senator Hatch, thanks for coming. Senator Hatch and Senator Cornyn from the great State of Texas are leaders when it comes to legal reform. I want to thank you for being here. Congressman Bob Goodlatte from the great State of Virginia is with us as well. We're honored three Members took time out to come and hear this, what I think is a vital discussion about how to make America the best place in the world to do business. Welcome, glad you all are here.

I want to thank the entrepreneurs who are here, the small-business owners and the association members, people who care about legal reform. I appreciate you coming. I also want to thank our panelists. We're going to have an interesting discussion about why we need to do something about class-action lawsuits. That's what we're here to discuss.

I do want to put it in the larger context, though, about why we even ought to take on this issue. As Carlos said, lawsuits are—a litigious society is one that makes it difficult for capital to flow freely. And a capitalist society depends on the capacity for people willing to take risk and to say, "There's a better future, and I want to take a risk toward that future." I'm deeply concerned that too many lawsuits make it too difficult for people to do that.

And so I've called upon Congress to work with the administration on legal reform, whether it be to reform the asbestos litigation issue, or medical liability reform to make sure medicine is cost-effective to our citizens, or whether it be class-action reform. Legal reform is part of a larger agenda to make sure this economy of ours continues to grow.

We're seeing good growth now. As you know, last month, in the month of January, this country created 146,000 new jobs. The national unemployment rate is down to 5.2 percent. This is all progress. But it's important for the Congress to work with the administration to keep this progress going. And so legal reform is part of a strategy for economic vitality and growth.

So is a disciplined budget part of that strategy. I submitted a budget earlier this week. I'm not surprised some people are yelling about it already. But it is a budget that is lean and effective and says we'll spend money on programs that work. And I look forward to working with Congress to get that budget passed.

It is time for Congress to pass an energy bill. We've been debating it for too long, and now is the time for action. And I'm confident we can get it done. I believe that Congress has heard the message from the people that, let's work together to encourage conservation and renewable sources of energy, and let's spend money wisely on new technologies, why don't we promote clean and safe nuclear power—all aimed at not only protecting our environment but, at the same time, making us less dependent on foreign sources of energy. So my call to Congress again, like I did a week ago today, was, let's stop the debate on energy and get a bill to my desk to show the American people that we can respond.

We'll continue to open up markets for goods overseas and, at the same time, enforce our trade laws. Carlos is going to be a part of the enforcement mechanism of our trade laws. We opened up markets to 12 countries over the past 4 years through new free trade agreements in countries like Australia and Singapore. And over the next 4 years, we'll continue to open up markets.

And the reason I believe that it's important is because when we're good at something, we ought to make it easier to sell what we're good at overseas and create new customers for U.S. entrepreneurs and farmers and ranchers. Given a level playing field, this country can compete with anybody, anytime, anywhere. And so we're going to continue to work with Congress to advance good trade policy.

We'll work on things like simplifying the Tax Code, reasonable, wise immigration reform, good health care policy, as well as taking on the tough task of strengthening the Social Security system for younger generations to come.

Now, I understand some have been listening closely to this debate, and I want to make two points about Social Security before we get to the subject at hand. One is, we have a problem. For those of you in Washington who say we don't have a problem, all you've got to do is look at the facts. We don't have enough people paying into the system to take care of baby boomers like me who are living longer and longer and longer and are going to be promised more benefits. We've got more people who are going to be receiving benefits over time, with fewer payers into the system. And those who are receiving benefits will live longer and will receive more money. That says we've got a problem.

It is a funding problem. In the year 2027, the Federal Government is somehow going to have to come up with $200 billion more than the payroll tax to make sure we fulfill the promise. And the problem gets worse and worse. Starting in 2018, which isn't all that far away, 13 years away from now, the system goes into the red. That means more money coming out of Social Security than going in.

Some in our country think that Social Security is a trust fund; in other words, there's a pile of money being accumulated. That's just simply not true. The money—payroll taxes going into the Social Security are spent. They're spent on benefits, and they're spent on Government programs. There is no trust. We're on the ultimate pay-as-you-go system. What goes in comes out. And so, starting in 2018, what's going in—what's coming out is greater than what's going in. It says we've got a problem. And we'd better start dealing with it now. The longer we wait, the harder it is to fix the problem.

Secondly, if you're a person who is retired or near retirement, nothing will change. There is enough money. You're in good shape. I know there are some who have heard talk about Social Security around the country here, saying, "Oops, he's going to take away my check." That's not going to happen. I don't care what the rhetoric is, what the mailings say, what the TV ads say, you're in good shape. It's the younger workers who ought to be asking the Members of the Congress and the President of the United States, "What are you going to do to fix the problem?"

And I'm looking forward to working with Congress to fix the problem. All ideas are on the table except running up the payroll tax. And I'm convinced by setting aside partisan politics and focusing on what's right for younger Americans, we can do the job that people expect us to do here in Washington, DC.

We're here to talk about class-action lawsuit abuse. And we've got some experts here to help us understand what class-action lawsuits are all about and how best to affect good public policy. Look, there is a bill working its way through the Senate now, and I want to thank both Republicans and Democrat Members of the Senate for

working on that bill. My call to them is to listen to the experts. And we're about to hear from two—actually three—two people who have studied the issue and one who has actually lived with it.

It is important, for the sake of this country and for the sake of our economy, to have a fair answer to a problem that is escalating. The problem is, people are filing suits all over the country in a State courthouse that's affecting people in other States. And oftentimes businesses are getting drug into it or people are getting drug into it that are unaware they're getting drug into it. And if they are getting drug into it, when there's finally a settlement, they don't get much. And the people—the lawyers get a lot.

And so we've worked with Congress to come up with a reasonable solution. And they've come up with a reasonable solution that says interstate class actions ought to be conducted in the Federal court. And my call to the Senate today is to get that bill done as quickly as possible so we can get it to the House and get it to my desk. And the Senate has got to pass the bill on the floor without amendment. They need to pass a clean bill, one that makes sense for the American people.

I have asked, and Walter Dellinger has kindly agreed to come. He is a practicing attorney. He is a professor. He's so good at being an attorney, he's teaching others how to be an attorney at Duke University, if I'm not mistaken. He was telling me today—I don't know if you know this or not; this falls in the "small world" category—and if our mutual friend is listening on C–SPAN, it will blow his mind we're talking about him—but I was raised in Midland, Texas, and the fellow who lives across the street from him in North Carolina's father was the baby doctor for my three little brothers. [*Laughter*] Now, how about that for small world? Tell Rodin hello.

Walter Dellinger. I will.

The President. Walter, why are you interested in the issue? He's actually served in Government for the previous administration. He represents the spirit needed to have good legal reform, and that is the bipartisan spirit. And tell us why you're here, and give us your interest in the subject.

[*At this point, Mr. Dellinger, chairman of the appellate practice, O'Melveny & Myers LLP, and Douglas B. Maggs Professor of Law, Duke University, made brief remarks.*]

The President. Tell people what a class action is.

Mr. Dellinger. Well, a class action—the idea of class action started when we realized that often there were many people that had small—the same small injury. If I cheat a million people out of $10 apiece, I ought not be able to sit back and think, "Well, they'll never be able to sue me because it's $10 apiece." So if they're really common questions of law and you can resolve the whole dispute in one action, it's a very effective way of doing it.

[*Mr. Dellinger made further remarks.*]

The President. So in other words, a class-action lawsuit that is tried at a State level means you could be doing business in California but be sued in Illinois court.

Mr. Dellinger. That's right. And one of the problems is that you sometimes have, in one of these State class actions, a State court judge making law for the whole country, making law for DC or for California, for Arizona, sitting right in West Virginia or in Illinois, when he's not elected by these other people.

[*Mr. Dellinger made further remarks.*]

The President. Let me stop you. Before we get to how it does it, why is it more fair to be in the Federal court, in your judgment? I think people need to understand why the remedy is going to make the system more fair to them. I mean, I agree with you completely that there needs

to be a judicial system that honors people who have been harmed. We want the system to be fair. If you get hurt, you ought to have access. And yet, on the other hand, we understand the cost of frivolous lawsuits, people just filing lawsuits for the sake of filing lawsuits, forcing people to settle even though there's no merit to the lawsuit.

But explain why going from a State court to a Federal court, in your judgment, would be fair. He actually testified on the bill, so, I mean, you talk about an expert; we're beyond just somebody who theorizes, we're somebody who went in and front—dared go to the Halls of the Senate and testified. How did Senator Cornyn treat you?

Mr. Dellinger. They did very well. [*Laughter*] And Senator Hatch.

[*Mr. Dellinger made further remarks.*]

The President. It sounds fair to me. I mean, it sounds reasonable. I think if somebody is out there wondering whether or not this is a reasonable proposal, it's reasoned to use the Federal courts for what they were intended to be used for, which is adjudicate disputes among the States, for example. Anyway, why is this fair, beyond moving to the Federal court? I interrupted you before. You were saying this bill is particularly fair because——

Mr. Dellinger. Well, because it still allows these cases to proceed under the standards we've developed for where you can try cases involving people from different States. You get into Federal court, and if some of the harmful amendments that are being suggested are defeated so that you get a clean bill sent to you, the Federal courts will do what they've always done. They look at a case involving multiple States, and they say, "Can we fairly try this? Are these State laws sufficiently alike that we can try this in one lawsuit?" If they're not, then you can bring those suits back in a single State. Everybody in Pennsylvania can bring a lawsuit in Pennsylvania courts. But you can't do it for multiple States if you just tell judges, "You can pick the law of one State, whether people in other States like that law or not."

And you're going to hear this afternoon some very telling examples of what's gone wrong when one State makes law for the whole country without the rest of the country being able to participate. People in Texas and North Carolina don't get to vote for who's the State court judge in Illinois, and we don't get to vote on what the law should be in those other places. And this is precisely designed for that.

[*Mr. Dellinger made further remarks.*]

The President. Great job. Thanks for coming. Appreciate you taking time.

He mentioned—he said they're trying to amend the bill. That's code word for they're trying to weaken the bill. They're trying to make the bill not effective. That's why I called for a clean bill and Walter called for a clean bill as well. And I'm confident that the Senate will hear that call and get a good piece of legislation off the floor. Then we'll move it to the House, and then it will get to my desk quickly, and we'll show progress, working together.

By the way, I repeat, this is a bill that is cosponsored with Republicans and Democrats. It's a good piece of legislation.

Larry Mirel—what do you do, Larry?

Lawrence H. Mirel. I'm the commissioner of insurance, securities, and banking for the District of Columbia.

The President. Right around the corner.

Mr. Mirel. Right around the corner—right across the street.

The President. Right across the street. Well, that's good. So that seems like an unusual connection. Here you are, sitting next to the President talking about class-action lawsuit, and it seems like you're really not involved with the law, but are you?

Mr. Mirel. Yes, indeed. And let me explain and add to what Walter said before. My job—I'm actually a State official, and my job is to protect the people of my jurisdiction, the District of Columbia, and in particular those who buy insurance. And

I worry about that, and I take that seriously. I implement the laws of the District of Columbia, as passed by the Council and approved by the Congress.

[*Mr. Mirel made further remarks.*]

The President. They settled because—not necessarily because of the merits of the lawsuit; they settled for threat of loss. In other words, it's kind of like a lottery sometimes when the system isn't balanced right.

Mr. Mirel. Right. I'll give you some examples of it. The first one settled $7.5 million to the attorneys who brought the suit, nothing for the class members. Those class members are all over the United States, including people in the District of Columbia, everybody who bought a policy from that company. The second one settled for $10 million to the lawyers, nothing to the plaintiff class——

The President. I'm beginning to get the picture of why there was 34 filed. Slowly but surely, the settlements are getting bigger. Anyway——

Mr. Mirel. Even the Association of Trial Attorneys objected to that one. So they went back, and they gave something now to the members of the class. What is it? A hundred dollars off your next life insurance policy that you buy from that company.

The President. If it's still around.

Mr. Mirel. That's right. And the lawyers walk off with $10 million. Seven cases were settled. The total payout so far is $40 million. And nothing has gone to trial, and that's the real evil.

[*Mr. Mirel made further remarks.*]

The President. See, it's interesting. What he's saying is, is that he has said—he's doing his job in the District, and yet a lawsuit that affects people in the District begins to redefine what you've laid out as what is fair.

Mr. Mirel. That's exactly right. I'll give you another simple example. There's a case in Los Angeles Superior Court claiming that one of our very largest companies, State Farm, which is a mutual company, has too much in reserves and should give that reserves back to its members. Well, what I do for a living is make sure the companies that sell insurance in this jurisdiction, including State Farm, have enough reserves.

The President. ——enough reserves. [*Laughter*]

Mr. Mirel. Right. And the notion that a jury of laypersons in the Los Angeles County Court can overturn my decision——

The President. Do your job better than you can—yes.

Mr. Mirel. That's the part that I have problems with.

The President. It's an interesting situation, isn't it, and it's one that really goes back to what Walter was talking about as far as the Framers' view of how a fair system ought to work. If I were someone who was out there wondering whether or not we were making the right decision, I would go back and harken back to the papers of the Founding Fathers, when they talked about adjudicating disputes like this, so that in this case, a jury doesn't make the decisions for the good folks in Washington, DC—a jury afar.

We've also got with us Alita. Are you ready to go? All right, how many kids do you got?

Alita Ditkowsky. I have two children.

The President. They don't happen to be here—are they?

Ms. Ditkowsky. Yes, they are.

The President. I can see them. How old are they?

Ms. Ditkowsky. Marissa is 10, and Jessica is going to be 9 in 2 weeks——

The President. Going to be 9.

Ms. Ditkowsky. ——3 weeks.

The President. Fabulous. Well, happy birthday-to-be. Got Mom up here on stage. Pretty cool, huh? [*Laughter*] Where do you live?

Ms. Ditkowsky. I live in Commack—Commack, Long Island.

The President. State? New York?

Ms. Ditkowsky. New York.

The President. Not everybody knows where Commack is. Of course, I did. [*Laughter*] So why are you here? No——

Ms. Ditkowsky. Well, Mr. President——

The President. Give us your story. This is a very interesting tale.

Ms. Ditkowsky. Okay. Well, first, I would never believe in a million years I'd be talking to you face to face, and I would never believe that I'd be talking to you about my TV set. [*Laughter*] But here goes.

The President. This is being recorded on film, so you can play it back just to prove it actually happened. [*Laughter*]

[*Ms. Ditkowsky, class-action member, Thomson Consumer Electronics lawsuit, made further remarks.*]

The President. I'm going to stop you there. So you open up the mail——

Ms. Ditkowsky. Right.

The President. ——and somebody sends you a coupon.

Ms. Ditkowsky. Correct.

The President. ——meaning that you were a party to a lawsuit.

Ms. Ditkowsky. Exactly.

The President. ——but you didn't know you were the party to the lawsuit.

Ms. Ditkowsky. Had no clue.

The President. Interesting isn't it? Whew. [*Laughter*] First, I'm glad I wasn't the Thomson salesman, you know? [*Laughter*] So you get the—what, you get a $50——

Ms. Ditkowsky. A $50 rebate if you make a purchase of $100 or more.

[*Ms. Ditkowsky made further remarks.*]

The President. So therefore, there should have been a recourse. I mean, a just society is one in which she buys the TV that is a lousy product, and there's a warranty, and there's some protections for a consumer. They ought to reward her those protections.

Ms. Ditkowsky. And as a consumer of this product, we sent out a warranty card that said if there's a problem with the TV, the company is supposed to notify us.

The President. Right. And so the TV company was wrong, and the verdict was guilty, and you got $25.

Ms. Ditkowsky. I got a $50 rebate——

The President. Fifty dollars.

Ms. Ditkowsky. ——to go buy a new TV from them.

The President. Yes, I know. So it made you even hotter.

Mr. Dellinger. Why did you get such a bad deal?

Ms. Ditkowsky. Well, as I was going to tell the President, that I just found out that the lawyer in this case, who took this case to a very small court in Madison County, Illinois——

The President. Oh, yes, I've been there. [*Laughter*]

Ms. Ditkowsky. Madison County. I am going to——

The President. It is the most—there are more lawsuits filed in Madison County, Illinois, than anywhere in the country, I think. I mean, I went there to talk about legal reform in Madison County, Illinois. There are—people are filing lawsuits there all the time. You had your case heard in Madison County. I cannot believe it. Anyway, keep going.

Ms. Ditkowsky. Well, apparently this lawyer—and nowhere is it in the fine print of this little $50 coupon that this lawyer got $22 million.

The President. We've got a problem.

Ms. Ditkowsky. Twenty-two million dollars. I'm still left with a broken TV. He got $22 million. Where is the justice in this?

The President. Yes, and that's exactly why—thank you. We're all here because we want the system to be fair. The economy depends upon a fair legal system. People's faith in the system, our country depends upon a fair legal system. And what we're highlighting here is the system isn't

fair. And the positive news is, in this town, people have come up with a fair solution that will treat people with respect and give them justice when they need it and, at the same time, hold people to account when they need to be held to account, without affecting our capacity to grow our economy. Fairness is all we ask for.

The scales of justice need to be balanced, and they're not balanced today. And so good people from around the country, including Walter and Larry, have come to the Halls of Congress to help balance those scales. And fortunately, there are good Senators and fair Congressmen who understand that all we seek is balance. And now is the time for the United States Congress to balance the scales when it comes to class-action lawsuits, to do their duty to make this country as good a country as it can possibly be.

I want to thank our panelists for coming. I hope you've enjoyed this as much as I have. I'm honored that you would take time and stay over from getting back home to help explain the need for this country to act on this important issue.

Thank you for coming. God bless.

NOTE: The President spoke at 1:31 p.m. at the U.S. Department of Commerce.

Statement on a Supplemental Appropriations Request To Support the Areas Recovering From the Indian Ocean Earthquake and Tsunamis
February 9, 2005

More than 6 weeks have passed since the tsunami took over 150,000 lives in one of the world's worst natural disasters. Thanks to the immediate and effective response of the U.S. military and the U.S. Agency for International Development, the United States, working with other members of the international community, was able to prevent additional loss of life and to deliver relief to those in need.

I will seek $950 million as part of the supplemental appropriations request to support the areas recovering from the tsunami and to cover the costs of relief efforts to date. This amount includes an additional $600 million above my initial commitment of $350 million. We will use these resources to provide assistance and to work with the affected nations on rebuilding vital infrastructure that reenergizes economies and strengthens societies.

I appreciate the efforts of former Presidents Bush and Clinton to raise private donations in the United States, and we are grateful to all of those who have donated money to help those in need.

Remarks in a Discussion on Strengthening Social Security in Raleigh, North Carolina
February 10, 2005

The President. Thank you all for coming. Thanks for coming. Okay. Thanks for the warm welcome. We got a lot of work to do here. [*Laughter*]

Audience member. [*Inaudible*]

The President. Yes, thanks. Okay. Listen, we're here to talk about an important subject. And I want to thank some of our

fellow citizens for agreeing to join me up here on the stage. It's not easy, frankly, to go from kind of a quiet civilian life to agree to sit up here with the President and all the cameras. [*Laughter*] But I think you're going to find this to be a very interesting dialog about Social Security.

I've got some things I want to say before we talk about Social Security. First, I send greetings from Laura. On the way out she said, "When you get down to North Carolina, tell everybody hello, and make sure that the panelists get to talk." [*Laughter*] She knows me well. [*Laughter*]

I know that Elizabeth Dole helped set up this event. I am—she is staying back in Washington because there are crucial votes coming up. I believe that one of our—an important initiative, and that is to bring reasonable legal reform on class-action lawsuits, will pass. So she and Senator Burr are staying back to vote. I hope you excuse them. I certainly did. [*Laughter*]

I'm also pleased that a person who set an example of what it means to be a person who sticks to his principles and is a fine United States Senator has joined us, Senator Jesse Helms. Thank you for coming. Proud you're here. It sounds like to me they still remember you. [*Laughter*]

I want to thank the statewide officials who are here. They were bravely standing at the base of Air Force One when I arrived, and the wind was blowing hard, but they nevertheless stuck it out and greeted me. I want to thank you for being there. I want to thank the local folks who are here.

I met a fellow named Jim Van Strien. He's what I call a USA Freedom Corps volunteer. He works for the RSVP program. He's been helping to welcome U.S. service men and women home. He's the kind of fellow who—[*applause*]—let me finish, and then you can thank him. He's the kind of fellow who's taken time out of his day to volunteer to make somebody else's life better.

Now, the strength of this country is the fact that we've got millions of citizens who are willing to do so. The true strength of America is we've got people of open hearts and great spirit who are willing to make society a better place as a result of volunteering. If you're interested in serving our country, feed the hungry, find shelter for the homeless, put your arm around somebody who hurts and say, "I love you, Brother, or Sister."

Jim, thank you for setting such a good example, and welcome.

The world is getting more free, and therefore, a future generation of Americans and kids around the world is more likely to live in peace. I hope you are as enthused as I am about what has happened recently in the course of world events. Think about the elections in Afghanistan. Millions of people voted for the first time in ages for a President. And the first voter was a woman. And that's miles away from a time when people were tormented by ideologues of hatred called the Taliban. And the world is better off when a part of the world that has longed for freedom sees a free society emerge in Afghanistan.

And then there was an election in the Palestinian Territories. And I've been impressed by President Abbas's willingness to stand and say, "We must defeat terror and establish a democracy in order to achieve peace with our friend Israel." And I look forward to working toward peace in that part of the world.

And then we had the elections in the Ukraine, and—which are a beginning of a—a continuation of a democracy movement in a part of the world that hadn't known freedom for ages. And then of course, some—a week ago last Sunday, against all odds and defying all expectations, millions of Iraqi citizens said, "We will not be terrorized. We want to be free," and they went to the polls.

Freedom is on the march. And my job and the job of the United States of America, with our friends and allies, is to continue to promote free societies, because I understand freedom equals peace. And I believe we have an obligation, as we protect our homeland from terrorist thugs, to make the world a more peaceful place for generations to come. And I'm looking forward to the challenge. I'm looking forward to going to Europe in a couple of weeks to say, "Listen, we share a lot of values. We believe in human dignity, human rights. Most of all, we believe that every soul should be free."

I laid out in my Inauguration Address what I think is a noble goal for generations to come, to end tyranny in our world. And the United States of America, working with friends and allies, over time has got the capacity to do so.

One of the challenges we face is how to make sure this economy of ours continues to grow. The national unemployment rate is down to 5.2 percent. The unemployment rate here in North Carolina is lower than the national unemployment rate. That's all good. But we must continue to make sure that we advance reasonable economic policy so the entrepreneurial spirit is strong, small businesses can flourish, and most importantly, people can find work.

I'm looking forward to working with Congress to put reasonable plans in place to make that happen. One of the most important things that I've done in the new term is to submit a budget that says, "Let's address the deficit." I've heard from business leaders, entrepreneurs, small-business owners, Republicans, Democrats, Congressmen, Senators—all say we got an issue with the deficit. I said, "Fine. I have a responsibility to submit a budget." I did. It's lean. It's focused. It sets priorities, and it says if we've got programs that aren't working, let's get rid of them for the sake of the taxpayer.

And I'm looking forward to the deliberations, and I'm looking forward to working with people on both sides of the aisle to get a lean budget out. That's what the American people expect, and that's what I'm going to sign.

I'm looking forward to working with Congress to continue to make sure health care is available and affordable. One of the ways to do that is, we need medical liability reform out of the United States Senate. It's important for people to receive justice when they're harmed, but it's important for the scales of justice to be balanced. And the scales of justice are not balanced. Too many doctors are getting sued by frivolous lawsuits, which is running up the cost of medicine, which is costing taxpayers money, which is driving good doctors out of business. It is time for the United States Congress to pass national medical liability reform.

I'm looking forward to working with Congress to get an energy bill out. We've been debating energy for 4 years. We don't need any more words on energy. It's time for them to get a bill to my desk. I have laid out a blueprint on how to get there. It encourages conservation. It encourages the use of renewable sources of energy. It says, "Let's—why don't we be wise about the use of nuclear power." I believe we can expand safe nuclear energy. I know we ought to be exploring in environmentally friendly ways for natural gas here in the continental and in the State of Alaska. All of this is aimed to make us less dependent on foreign sources of energy. And Congress needs to act and get a bill to my desk.

On taxes, I'm looking forward to getting the bipartisan commission's report to me on how to simplify the code. But in the meantime, I know this: We got to make the tax relief we passed permanent. We ought not to be running up taxes on entrepreneurs.

I look forward to working with Congress on education matters. I will not let the United States Congress roll back the reforms of the No Child Left Behind Act.

The No Child Left Behind Act is challenging the soft bigotry of low expectations. We're raising standards. We believe every child can learn, and we expect every school to teach. And we want to know, in return for our money, whether or not schools are meeting expectations.

And I know you've got a fantastic community college system here in North Carolina. And I intend to make sure that the workforce programs utilize this fantastic community college system so people are able to get the skills necessary to fill the jobs of the 21st century. And so we'll continue to work with Congress on education matters.

But I'm here to talk about an issue that is going to be an interesting experience in dealing with the Congress. [*Laughter*] And that is Social Security, formerly known as the third rail of American politics. [*Laughter*] That meant if you touched it, there would be certain political death. I believe the job of a President is to confront problems and not pass them on to future Presidents and future generations. That's what I believe. [*Applause*] Thank you. Thank you all. Okay, thank you. Thank you for the warm welcome.

I see a problem, and I want to discuss with you why I see a problem. For those who got to worry about the politics of Social Security, let me just give you my perspective. I ran on it twice. [*Laughter*] I said, "Elect me, and I will do the best I can to work with Congress to strengthen the system for all. Give me a chance to be the President, and I will take the issue head on." I did so in the 2000 campaign. Obviously, the issue wasn't solved, and so I did it again in 2004. I believe candidates are rewarded, not punished, for taking on tough issues. I say that to give assurance to the Members of Congress who may feel somewhat fearful of taking on the issue.

Secondly, I intend to campaign on this issue around the country. This is one of two stops today. Right after my State of the Union speech I went to five States, and I'm going to keep traveling the country talking about the problem of Social Security, assuring seniors that nothing changes and saying I'm willing to discuss all options with Members of the United States Congress. And I'm looking forward to it. I like to get out of Washington. I like to talk to people. But I also know that when the people speak, people in the Congress listen. So I'm kind of sharing with you a little bit of my strategy about how to move this issue forward.

So what's the problem? The problem is, is that Social Security—the basic assumptions of Social Security are shifting dramatically from when Social Security was founded. In 1950, there were 16 workers per one putting money into the system, which means that when somebody retired, there's 16 workers contributing to that person's retirement. Today, there's 3.3 workers contributing for each beneficiary. And when youngsters retire, it's going to be 2.1—2 workers per beneficiary. In other words, the burden of paying for retirees is increasing on workers. That's part of the equation.

The second thing that has changed is, is that life expectancy has changed. It used to be 60 years was life expectancy; today, it's 77. I suspect over the next decade, it will continue to increase. I certainly hope so. [*Laughter*] As well baby boomers are getting ready to retire. That's me and you. [*Laughter*] And do you realize, today, for example, there are 37 million people receiving Social Security benefits; in the year 2031, there will be 71 million people. Those are baby boomers. Baby boomers are living longer. And more people are retiring. So part of the equation is, more people will be receiving benefits longer than anticipated when the system was first set up.

Thirdly, benefits promised to people like me are dramatically higher than benefits given to today's retirees. Politicians, over time, say, "We'll just—elect me, I'll increase the benefits."

So when you think about it, when you add up the equation, you've got more people living longer, receiving greater benefits, being supported by fewer people. And to me, that says we got a problem. And as a matter of fact, the numbers say that. There is a chart over here that says "Cost of Inaction," because in 2018, the system goes red. That means there's more money going out of the system than coming into the system. The leading edge of baby boomers are retiring; they're living longer; benefit structures are bigger; fewer people paying in; the system goes negative.

Now, some of you probably think there is a kind of—a bank, a Social Security trust bank. But that's not what's happened over time. Every dollar that goes into Social Security has been paid out, either to retirees or Government programs. It is a pay-as-you-go system. It is a flow-through system. There is no kind of—[*inaudible*]. There are empty promises, but there's no pile of money that you thought was there when you retired. That's not the way the system works.

To make matters worse, as more baby boomers retire, as people live longer, as more benefits kick in, the cash deficit increases. So for example, in 2027, the Government is going to have to come up with $200 billion more to meet the promises that we've made, above and beyond payroll taxes. Every year from 2018 to when the system goes broke in 2042, the cash deficits required to meet promises increase. That says to me we've got a problem.

Now, I know 13 years doesn't sound like a lot—2018—it may seem like a lot to people whose perspective is maybe 2 years. But as I told you, I think we've got to anticipate problems, particularly on this issue, because the longer we wait, the more difficult the solutions become. That's just a fact.

And so step one of my strategy is to continue saying to the American people, "We have got a serious problem." In other words, sometimes they say, "Is it serious? Is it a crisis?" Look, whatever you want to call it, just look at the chart, and you come up with the conclusions. It is serious because if Congress says no to the President, we're not going the move forward on this. Imagine what the solutions will be when the 200 billion hits, or the 210 billion a year, or the 300 billion. I mean, you're looking at either major tax increases, major cuts in benefits, major cuts in other Government programs, or massive debt. And so now is the time to move, and that's what I'm saying to the Congress.

The second goal of mine is to make sure our people who have retired, our senior citizens, and people who were born before 1950 know that nothing changes. That's important for you to understand. I fully understand a lot of people are very dependent upon their Social Security check. And when they hear somebody like me saying we're going to strengthen the system, their immediate reaction in some cases is to go, "Oh, that means I'm not going to get my check." You might remember those campaigns around, which I'm sure you've seen them in States where people say, "Elect somebody, and he's going to take away your check." That happened to me, for example. They said, "Old George W. gets in; you're not going to get your check." Fortunately, they got their check after I got in, so they kind of rung hollow in 2004.

You'll hear the same kind of thing being put out there, that seniors need to worry about this. And I'm going to spend a lot of time assuring people who've retired or near-retired that nothing changes. The system—when we talk about insolvency, the insolvency issue doesn't relate to you. It relates to your grandchildren. And that's the issue we're confronted with: What do we do about the retirees' grandchildren? As I said in my State of the Union, we have an obligation to do what others have done for my generation, and that's to leave a better world behind. And that's why I was willing to dedicate as many words as I did in the State of the Union to what

used to be the third rail of American politics, Social Security.

Now, it's one thing to define the problem; it's another thing to be a part of the solution. And I have an obligation as the President not just to define the problem but to encourage dialog by putting out some ideas of my own. I stood up in front of the Congress and said, "In order to truly fix it, in order to have a permanent solution, all options are on the table, except for running up payroll taxes."

And that means a lot of different things. Democrats, like Senator Moynihan, who Senator Helms served with, had some really constructive ideas as to how to address the root cause of a—of the problems with Social Security. President Clinton had some ideas; former Democrat Congressman Tim Penny. And the ideas range from raising the retirement age to delaying benefits to calculating benefits not based upon wage increase but price increase. A little esoteric here, but in other words, there's some serious ideas on the table to how to permanently fix Social Security.

And that's why I said to the Congress, "All ideas are on the table, and if you got a good idea, bring it forward." Now is the time for people from both sides of the aisle to address the problem. And I'm willing to listen to anybody's idea. And I'm looking forward to a good, constructive dialog about how to seriously address the problem, making sure that those who've retired have nothing to worry about and, at the same time, making sure there's a Social Security system for younger people coming up.

I put out some ideas, and I want to talk about one of them that I hope you find interesting. I certainly did, otherwise I wouldn't have put it out. [*Laughter*] And that is, as a way to allow younger workers to more nearly—or come closer to the promises that have been made but can't be fulfilled, we should allow younger workers to take some of their own money, their own payroll taxes, and set it aside as a personal retirement account. This is a novel idea for Social Security, but it's not—it's a novel idea for Social Security. It is not a novel idea for Federal employees. There is such a thing that's called a Thrift Savings Plan, which allows Federal employees to take some of their own money and invest it in stocks and bonds so as to increase their retirement benefits.

And why does that happen? Because when you're able to get a rate of return on money invested, over time that money grows, that money accumulates, that money expands. And so I believe younger workers ought to be allowed to set up a personal account and invest in stocks and bonds so that their money can increase faster, at a faster rate than that which their money increases in the Social Security system. That's what I believe ought to happen.

And so—that's called the compounding rate of interest—just trying to show off a little bit, kind of—[*laughter*]—not bad for a history major. [*Laughter*] Let me give you an example of what I'm talking about. By the way, our plan is one where I believe we ought to phase in the accounts so they're more affordable, so that the transition costs are more manageable to get to such accounts. I believe ultimately a worker ought to be allowed to put 4 percent of the payroll tax aside as a—4 percent of the 12—as a—in the personal account. So money stays in the system, but money also would be allowed to grow with interest. Your option, by the way. Younger workers shouldn't be forced to do this. Younger workers—if you're interested in this, you can do so.

Now, if you're a worker who earns $35 [$35,000] * a year over your lifetime, and this system were in effect where you could put 4 percent of your payroll taxes in a personal account, and you start at age 20, by the time you retire, your personal account would grow to $250,000. That's compounding rate of interest.

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* White House correction.

A couple of guidelines that need to be—I mean, you just got to understand there will be guidelines, like there are for the employee thrift—Federal employee Thrift Savings Plan. There's got to be—you can't say, let's have a good retirement system, and let somebody take their money down to the lottery and invest it. That's not a wise investment, with all due respect to the lottery players. In other words, there's got to be a—certain guidelines, a conservative mix of stocks and bonds. We don't want people taking their money and investing in high-fliers. There's a way to manage risk and get a better return than that which is in the Social Security trust. I mean, there's all kinds of people that are expert at this.

As a matter of fact, that's what the Thrift Savings Plan does, is says, "Here are some options for you, easy-to-understand options," which will defy those who say certain people aren't capable of investing—a concept which I totally reject, by the way. The person with the $250,000 account couldn't take it all out the moment he retires or she retires and spend it. In other words, there's a—there would be a—guidelines for a drawdown.

You see, the money coming out of the personal account is to complement the Social Security money, however much is still available after the congressional reforms. So it's a complement to Social Security. It is to mirror. It's to help out. It's to enable you to retire.

There's other benefits, however, to a personal account, besides growing faster than the money if it were to stay with the Federal Government. One, it's your money. And that's an interesting idea, isn't it? It's your money to begin with, and it's your money at the end. And you can do with it what you want. You can't take it to the lottery. You can't gamble. You can't try to increase it with silly investments, and you can't pull it all out at once. In other words, you have to use it for retirement. On the other hand, if you choose not to spend it, you can pass it on to somebody you choose.

Obviously, I didn't listen to Laura. [*Laughter*] I've got some other things to say real quick.

The current system today—think about this—if you work for 30 years and you start at age 20 and you're putting money in the Social Security system and you die, that money that you put in the system, if your survivors are over 18 years old, goes away. I think it makes sense to try to encourage people, particularly for the security of their families, to be able to have something to pass on beyond other things they're going to pass on.

I like the idea of having an account where people say, "I own this," and are able to look at a quarterly statement to watch their own asset base grow. And I like people being able to say, "I've got an account that the Government cannot take away. It's mine."

Some people say, "Well, you can't afford to do this." My answer is, you can't afford not to do it, if you look at the chart. And I'm looking forward to working with the Congress. I've done my part. I've laid it out there. I'm going to work hard. I'm going to spend a lot of time talking to the people about this issue. And I've put out some interesting ideas. And I'm looking forward to people assuming leadership in the House and the Senate on both sides of the aisle. And I'm willing to listen to their ideas. For the sake of the country, for the sake of a younger generation of Americans, we must act.

Andrew Biggs. We are here with one Andrew Biggs, a fine lad, as you can see. [*Laughter*] What do you do? Work for me, of course. [*Laughter*] Tell them what you do, Andrew, please—Andrew and I have done this before, see, so I'm used to needling him. [*Laughter*]

Andrew Biggs. My name is Andrew Biggs, and I'm Associate Commissioner for Retirement Policy at the Social Security Administration, which in short language

means I think about Social Security reform quite a bit. The good news on Social Security, even if it seems very complex——

The President. Andrew has a Ph.D., by the way. [*Laughter*] Which—it's an interesting lesson for those of you who are worried about your college career. Andrew has a Ph.D., and I got a C. [*Laughter*] And look who's working for who. Anyway—[*laughter*]——

Dr. Biggs. All those years of effort gone to waste, I guess.

The President. It's a cheap shot, Andrew, I know. Do we have a problem with Social Security? You look at it; you analyze it.

Dr. Biggs. Sure, we do. The good news is, you don't need a Ph.D. to understand how this works. [*Laughter*] The biggest misunderstanding people have——

The President. I'll let it pass, Andrew. [*Laughter*]

[*At this point, Dr. Biggs made further remarks.*]

The President. Good job, didn't he? Fine job.

All right, Noel—Noel Council. Where do you live, Noel?

Noel Council. I live right here in Raleigh, born and raised right here in Raleigh.

The President. There you go. Did you stay up late last night watching a little basketball? [*Laughter*]

Mr. Council. No, but——

The President. Never mind. Kind of old, us kind of baby boomers, isn't it, to stay up late. Anyway.

Mr. Council. Yes. I did watch Karl Rove, though, on the FOX channel. [*Laughter*]

[*Mr. Council, retired senior citizen, Raleigh, NC, made further remarks.*]

The President. Well, I appreciate the spirit. Look, I mean, the key statement that I heard him say is it's not going to change for him. So, evidently, the message has gotten to some—[*laughter*]—and we got to keep getting it out. Senior citizens must hear the truth, which is that the Social Security system will take care of them, and they need not fear a discussion about how the children—a system that works for our children and grandchildren will cause them not to get the promises the Government made. And that's just important, and I appreciate you bringing that up.

I also love the spirit of somebody saying, "I'm not worried about me; I'm worried about somebody else." And we really need to be. We really need to be. I mean, it just would be, I think, a dereliction of duty not to take on the tough task now. Of course, some of them are saying, "He's not going to be around but for 4 more years," but I can assure you of this: For the next 4 years, we're going to be taking on the tough problems like Social Security.

Dawn Baldwin. Are you ready to go?

Dawn Baldwin. I'm ready, Mr. President.

The President. All right. Where do you live?

Ms. Baldwin. I live in Merritt, North Carolina, down in eastern North Carolina.

The President. Fabulous, yes. Wish I could say I knew where it was—I'll play like it is. [*Laughter*]

Ms. Baldwin. We'll have you come down there sometime.

The President. How far away from here is Merritt, roughly?

Ms. Baldwin. About 2½ hours due east of here.

The President. Well, fantastic. Thanks for coming.

Ms. Baldwin. It's good to be here.

The President. You're a mom.

Ms. Baldwin. I am a single mom, and I do want to say quickly, though, that I thank you for mentioning the community college system, because I am a part of the community college system. I teach at Lenoir Community College in Kinston.

The President. What's your subject matter?

Ms. Baldwin. English.

The President. English, yes. Some say I could use a little extra work. [*Laughter*]

[*Ms. Baldwin, teacher, Lenoir Community College, Merritt, NC, made further remarks.*]

The President. Is this your first home?

Ms. Baldwin. This is my very first home.

The President. Imagine, "Welcome to my home." That's fantastic.

You know, I was talking with Dawn, and she was talking about a 401(k). It's an interesting concept. Many of you know what a 401(k) is. Thirty years ago, no one would have known what a 401(k)—maybe they would have. I don't think so. I think 401(k)s are a relatively new invention—401(k)—you've got one?

Ms. Baldwin. I do. And I'll tell you, Mr. President, it was a kind of scary situation when I first started at a community college system and was asked whether I wanted a 401(k). I had never gotten involved with stocks, bonds, didn't really know what it was about, but I can tell you that it is very nice every quarter getting those reports to see how well my investment is doing.

The President. So you get advice?

Ms. Baldwin. I do.

The President. Yes, see, she gets advice. In other words, it's a little nervous at first.

Ms. Baldwin. But it pays off well.

The President. Yes. [*Laughter*] And you get your—you see your statement quarterly?

Ms. Baldwin. I do.

The President. Watch your asset base grow, which——

Ms. Baldwin. And it is another sense of ownership.

The President. Yes.

Ms. Baldwin. And it makes you proud to be an American.

The President. Well, it's an interesting—I think one of the—I hope people take away—one of the things that I find so attractive about enabling people to save some of their own money is the sense of participation in the system, I guess is one way to say it. It's—as you said, it makes you proud, but it's your asset base. And your little guy, 13-year-old son—some day, if you choose, it becomes a part of his asset base. And the capacity to pass property from one generation to the next is more than just passing a piece of land—which is a fabulous story, by the way. But there's other assets you can pass on. And I think it stabilizes society. I think it makes society more hopeful when people say, "This is what I own, and I'm going to choose to pass it on to whomever I want."

And I—and it's got—by the way, that concept must spread throughout all society. It should not be confined to just one segment of society. This isn't a Wall Street phenomena anymore. This is a phenomena of people being able to own and manage their own money all throughout the country, and it seems like it makes sense for us to give a younger generation of Americans the same opportunity to do so through the Social Security system.

You did a great job. Welcome.

Cyndi Godfrey.

Cyndi Godfrey. Yes, sir. [*Laughter*]

The President. You live?

Mrs. Godfrey. In Statesville, North Carolina. I have some friends here.

The President. Half the town came. [*Laughter*] How many people in Statesville?

Mrs. Godfrey. How many live in——

The President. Yes, how many live there?

Mrs. Godfrey. I think about 23,000——

The President. That's good, yes. It's big, bigger than it sounds.

Mrs. Godfrey. Might not want to quote me on that. [*Laughter*]

The President. How many children you got?

Mrs. Godfrey. I have two little girls. One is 4, and one is 6.

The President. Fabulous.

Mrs. Godfrey. We call them the Princess and the Bulldozer. [*Laughter*]

The President. Sounds like kind of like my mother used to talk. Anyway—[*laughter*]—you're sitting up here on the stage.

Here's your chance to tell me. First of all, you work?

Mrs. Godfrey. I do work. I believe that the world is run by those who show up. So I showed up today on behalf of my friends and my family and about 80 employees at Godfrey Lumber. It's a small, family-owned business started by my late father-in-law, Woodrow Wilson Godfrey. You would have loved him. It's actually——

The President. Woodrow Wilson?

Mrs. Godfrey. Woodrow Wilson.

The President. Yes.

Mrs. Godfrey. His mother was a staunch Democrat.

The President. Yes. [*Laughter*] Guy is a heck of a businessman, though. [*Laughter*] Anyway, Godfrey Lumber.

[*Mrs. Godfrey made further remarks.*]

The President. I kind of took your regulation statement there—I'm kind of trying to read between the lines. Are you saying to me that you're worried about the system I'm talking about will cause you to have more regulations on you, a little bit? Maybe, in other words, small businesses are burdened by regulations, and there's a concern I've heard.

Mrs. Godfrey. I would very much like to know if this is going—if your plan, if your proposed plan is going to help the small business, because we need all the help we can get.

The President. She doesn't want to be managing the personal accounts, is what she's saying; she doesn't need any more Government telling her what to do. And the answer is absolutely not. It will not burden small businesses. And that's important for small-business owners to understand. This is not an added regulation on top.

By the way, my suggestion is what needs to be part of an overall plan. I just want to make sure that I disabuse people of the notion, personal accounts alone won't permanently solve the problem. That's what people have got to understand. It's a part of an overall solution. It just will mean that the younger workers will get a better deal when the solution is finally decided upon.

Go ahead. Here's your chance to get people to buy a little lumber. [*Laughter*]

[*Mrs. Godfrey made further remarks.*]

The President. That's good. I appreciate you saying that. The concept of people managing their own money has changed dramatically. I promise you, when I was most of the panelists' age, we weren't sitting around wondering whether or not Social Security would be there. When I was 30 years old—is that what you——

Mrs. Godfrey. Twenty-nine.

The President. Yes, when I was 29—[*laughter*]—we didn't have forums where people came and said, "Gosh, I wonder if Social Security is going to be around when I retire." That never entered a baby boomer's mind. Nor did the concept of people—more and more people being able to manage their own money in the different kinds of retirement systems, Roth IRAs and all the different retirement funds that are now available for people to invest in. The world has changed; Social Security hasn't yet.

And so I find it incredibly interesting to hear younger folks talk about life the way it is, workers being able to manage their own account, saving something for my son.

Skip Long, he's here. He's got some ideas and thoughts. You can see he's a young-looking guy——

Matthew "Skip" Long. Actually, young chronologically, too.

The President. You live in Raleigh?

Mr. Long. I live here in Raleigh. Most of my time has been spent in southeast Raleigh.

The President. Good.

Mr. Long. And I want to say my wife and son—my wife is there, and my 10-year-old son——

The President. Oh, yes, looking forward to seeing you afterwards. What do you do? Thanks for coming.

[*Mr. Long, president and chief executive officer, National Jobs Partnership, Raleigh, NC, made brief remarks.*]

The President. Before we get to Social Security, I think one of the most important initiatives of this administration is to encourage faith-based and community-based organizations to help find people help they need. You're a faith-based man.

Mr. Long. Thank you.

The President. I can't think of a better organization than one founded on the principle, you shall love your neighbor just like you love yourself, in order to help somebody coming out of the prison system find proper job training and get the skills and comfort necessary to know that he or she can take on life's tough problems.

All right. So I'm going to keep pushing the faith-based initiative, is my point. Back to Social Security.

[*Mr. Long made further remarks.*]

The President. There you go. How about that? Great job.

The system can be designed so that people can learn what it means to invest. And that's important for people to know. I've heard some people say, "Well, you know, there are certain people in society that just aren't capable." Forget it. Why do we want that kind of attitude in America, "Certain people can, and certain people can't?" We've got to believe everybody—everybody—should be allowed to take their own money and, under certain guidelines, make wise choices. And that's going to happen. There's a cultural change that needs to take place, obviously, in some quarters of society.

And I love the spirit you're talking about. Because if you own something, you have a vital stake in the future of your country. And that's exactly one of the key points behind this notion about allowing people to take some of their own money and investing it.

I think the panelists did one heck of a job up here. I want to thank you all. I'm getting kind of old, so I need to stand up. Let me take some questions, a few questions. And then I've got to head on over to Pennsylvania to continue the dialog.

Yes, sir.

Extending the Age for Benefits/Citizens' Influence on the Process

Q. My main concern is, you said during your State of the Union that all options was on the table. And I support your plan to strengthen Social Security, but one thing I'm concerned about is extending the age in order to be able to fund it. I would like to receive my benefits—my money that I paid into it, into my own personal account as soon as possible.

The President. Well, I appreciate you saying that. One way to make sure people affect policy, with all options on the table is to—first of all, let me say, I'm not taking options off the table until Congress comes to the table and starts discussing. And secondly, if a lot of people, younger workers are concerned about that option, you ought to let the people know. And you're just letting me know, and I appreciate it. Yes, I'll sign that book too. It's a fine book. If you're interested in getting some sleep, read Chapter Five. [*Laughter*]

Q. Mr. President, on behalf of northeastern North Carolina, thank you, thank you, thank you for what you do for our country.

The President. Thank you, sir.

Q. God bless George W. and Laura Bush.

The President. Thank you, sir.

Expanding Benefits

Q. Here's my question: In your effort to strengthen Social Security for the 21st century, will you be able to use your bully pulpit in perhaps persuading our own Congress, who does a great job but also has

a generous retirement system, take a look at that system, itself, in an effort to make, possibly, the retirement system for everyone in this room and throughout the country a little more generous?

The President. Yes, I appreciate that. See, what he's saying is, is that there is a go-by. In other words, this is a—I haven't invented this; it's already happened. Federal employees get to do this. I said in my State of the Union, younger workers ought to have the same option of ownership, decisionmaking, better rate of return, that the Federal employees have. And you bet I will.

You're right. I mean, this is—again, I repeat to you, this is going to be an issue that's going to require good, close cooperation. And it's not going to happen unless people of good will come forward and say, "Let's get in this—get after this issue together." It used to be that people would feel like they were lured out on the issue and then all of a sudden had to pay a political price. What I'm saying to the Members of Congress, "We're all in this deal together." We're all going to—we're going to be blamed together, or we're going to be praised together.

But I will do my part—I will do my part, initially, of not only putting the issue out there for people to hear, which I did in the State of the Union, but I'm going to travel our country, State after State after State, conducting discussions just like we had here, as open and frank as we can be, talking about the problems, talking about the assurances, and assuring Congress it is now time to act. That is my duty. I look forward to doing that. It also gets me out of Washington.

Preserving Current Benefits

Q. [*Inaudible*]

The President. Yes, sir.

Q. [*Inaudible*]

The President. We're not going to take away your Social Security check, for starters. Go ahead.

Q. [*Inaudible*]

The President. Absolutely. [*Laughter*] I tell you what, that guy right there I'm delegating. [*Laughter*]

Q. God bless you, Mr. President!

Q. Unfortunately, I don't have a letter for you to read, Mr. President, but I just want to say it's such an honor to be speaking with you. I'm very happy to be here.

The President. Thank you.

Benefits for Younger Americans

Q. I just wanted to let you know that as a young person, I think it's very inspiring and encouraging to see how much confidence you have in my generation's ability to make decisions. And I think that your plan to strengthen Social Security is just another reflection of your high level of trust and respect for the American people, and I wanted to thank you for that.

The President. Thank you very much. You know, it's interesting—I appreciate you saying that. Somebody was telling me the other day—I also had Congress men and women come into the White House, the Oval Office there—actually, the Cabinet Room, in this case—and I'm sitting down with them individually and talking about, just like we're talking here. And a person said—he read an interesting poll; he said that a lot of younger workers felt like they're more likely to see a UFO than get a Social Security check. [*Laughter*] It's an interesting dynamic, isn't it, when you think about it. There are a lot of young people, when they analyze Social Security and think about it, that they just don't think the Government can fulfill the promise, which is a powerful—it's powerful leverage for Members of Congress to listen to.

In other words, the dynamic has shifted. The reason people are comfortable about taking on the Social Security issue, in the political sense—I believe it must be done. That's the nature of the job; that's the nature of the Presidency. But in a political sense, it's because people are beginning to

realize that once seniors understand nothing changes, there's a lot of folks out there who are demanding change for their sake. They're saying, "What are you going to do about saving the system for me? I'm coming up. I have a better chance of seeing a UFO than getting a check from the Government. What are you and the Government going to do to make sure I get my check?" That's the dynamic that's happening.

And that's why I'm optimistic something is going to get done, because people are beginning to speak out. Younger Americans who understand the math and know the reality are beginning to say to those of us who have been elected, "What are you going to do about it? You're up there in Washington, DC. Do more than just occupy the office. Solve problems, and do your job."

Survivor Benefits

Q. Thank you, Mr. President. First of all, I just wanted to thank you for your service to our country.

The President. Thank you, sir.

Q. Thank you. I have a question about Social Security benefits that relate to things other than retirement, which is what you've put a lot of focus on. In 2001, I lost my father, and he left behind my mother to raise three kids, all under 18, and pay for everything that they needed and support them financially. By the year 2042, this pay-as-you-go situation is going to be pretty much exhausted. If that happens to someone after that point, they're going to pretty much be depending upon this small percentage that the Government is allowing them to put into their nest egg fund. At that point they have to pull out of funds early. Their index funds they'll have to pull out of early, which won't get to grow very much, and their long-term bonds won't mature. So how does your plan really——

The President. On survivor benefits? Are you talking about survivor benefits under the current system?

Q. Yes. Yes, sir.

The President. First of all, the plan is only addressed to the retirees, not to the disabled and survivor benefits. In other words, we're focused on the retirement aspect of Social Security. Secondly, the notion that a personal account—frankly, we haven't got to the emergency withdrawal aspects of the personal account. The idea, though, is not to let people—the main principle is not to let people withdraw money, who've retired, from the personal account because it needs to be used for retirement. In other words, you can't just lump-sum it out. This is a complement to Social Security.

As to whether or not you, a young worker—I mean, a survivor of a worker that passes on an account, whether you can draw it all out at once, that's something we just got to work out with Congress. But remember this, is that a plan that says you've been able to inherit something other than survivor benefits, a chunk of assets, is I think better—will be better than the current system.

Q. Yes, sir, I completely agree. From what I've seen of the system, I absolutely love it so far. I just hadn't heard you talk to that point yet.

The President. No, I appreciate that.

Q. Thank you.

The President. So you lived on—your mom and you lived on the survivor benefits of your dad?

Q. We didn't live on it completely.

The President. I mean, it helped you—helped you.

Q. Helped make ends meet, absolutely.

The President. Yes, well, there's survivor benefits in the current system if you are younger than 18 or your siblings are younger than 18 years old. If you're over 18, there are no survivor benefits for the kids. There will be a permanent survivor benefit if there's an asset that's been accumulated to be able to pass on. Whether or not you can take it out or not to solve a family

emergency after the person who accumulated the assets moves on, is something we just got to work out with the Congress.

Q. Yes, sir. One more thing, I just wanted to introduce myself so that I can say that I met you. My name is Bart Thornberg.

The President. Good job.

Yes, sir.

Q. Mr. President, Thomas Stith, Durham city councilman——

The President. Welcome.

Q. Good to be here.

The President. Thanks for serving.

Q. Thank you. More importantly, I'm a husband and a father of three young daughters. And first of all, I want to say thank you for bringing faith back to the White House.

The President. Thank you. Appreciate that. Thank you.

Addressing the Problem

Q. My question is simple. Certainly, we are very energized here today, supportive. The system is clearly broken. What can we do once you leave here today to ensure——

The President. Yes.

Q. ——that we can assist you in helping to fix this system?

The President. No, I appreciate you saying that. And part of my reason to travel the country is to explain to people that there is a problem. The Honorable got it—there is a problem. What we can do to help you fix it? First step is to make it clear to people there is a problem, because if the people in Congress say, "There's not a big enough problem. Let's just move it on," nothing will happen. In other words, there has to be a sense of—in your voice, as you pointed out—urgency. And it's going to take me a while to convince people of the urgency to act.

I believe that once Members of Congress—and therefore, step one is to convince people there's a problem, of both political parties. And once people—once it gets in their mind that there is a problem, the followup question is, "Okay, now you see the problem. Now what are you going to do about it?" And we haven't got quite to the "What are you going do to about it" stage yet.

We're going to continue—and I want to thank you for that. When—write, talk—when you see people who say, "Well, there's really not a problem," just—the facts speak for themselves. Again, this is not a political issue. This is policy at its most pure, I think. And the facts are clear. And the facts say it's time to get something done. But I readily concede there's a—we need a little more—I need to spend more time convincing people that we're going to—we got the problem.

And then once we get to there, sir, it is—and I try to stimulate discussion or at least prepare the way for a good discussion by saying, "I'm willing to listen." And if you put an idea on the table, you won't get—it won't be used to club you over the head politically with it. In other words, there needs to be an honest, open dialog. You deal with problems at your level, and the best way to deal with it is for there to be an honest discussion about different solutions without fear of political reprisal. And that's my—one of my pledges to the Members of the United States Congress and the Senate.

And that—and so, but when the time comes, the other thing you can do is assure people that nothing changes. Again, I just know—there are people out there who rely upon Social Security who are very worried when they hear political people like me talking about reform. They—the concept of reform means, "I'm not going to get my check," or "I'm not going to get all my check," or "I'm not going to get enough of my check." And we just have to continue to assure older citizens in Durham, North Carolina, and around the country that nothing will change—nothing will change. And once that assurance is fully understood, then I'm confident the dynamic of younger workers saying—or younger folks saying,

"What are you going to do about me," becomes a much more viable—becomes a driving force for reform of the Social Security system.

I'm probably talking too much strategy and tactics, but I think it's—people who are interested in the subject, you got to know how I think this issue is going to unfold. And—so thanks for your great comment.

One thing about faith: It's very important for this country to always remember that our strength, as opposed to some of these ideologues of hate that we deal with, our strength is the fact that you can worship or not worship and be equally patriotic. And if you choose to worship, you're equally patriotic if you're a Christian or a Jew or a Muslim or a Hindu. That is the wonderful thing about the United States of America. And regardless of what you believe and your beliefs, we must always jealously guard that great freedom of ours.

Yes, ma'am. I hate to tell you—we could be here all day—but I am headed toward Pennsylvania. Last question. I know you're disappointed.

Age for Opting Into a New Social Security System

Q. Mr. President, an honor, sir. I thank you for your perfect segue into my question to you. I think the constituency most skeptical about reform appears to be those 55 and older. And I think the part of your program that's most appealing to that skepticism is that part that talks about opting in. Can you address more specifically the age in which you are allowed to opt in or not?

The President. People born from—after 1950. That's a pretty easy question to answer. [*Laughter*] And that would not be me.

Listen, I am so honored you all came. What a fantastic setting. I appreciate your time. I want to thank our panelists again for coming.

God bless you all. Thank you.

NOTE: The President spoke at 11:12 a.m. at the BTI Center for the Performing Arts. In his remarks, he referred to former Senator Jesse Helms of North Carolina; President Hamid Karzai of Afghanistan; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; and former Representative Timothy J. Penny of Minnesota.

Remarks in a Discussion on Strengthening Social Security in Blue Bell, Pennsylvania
February 10, 2005

The President. Thank you all. Please be seated. Thank you. Thanks a lot. Senator Santorum read that just like I wrote it. [*Laughter*] Thanks for coming. I appreciate Rick—I call him Rick—for coming over from Washington. Today the United States Senate did something constructive. They voted to reform class-action lawsuits so that frivolous lawsuits won't drive up the cost of doing business in America and so that people—and I want to thank you for your leadership on that issue, Rick.

I appreciate so very much Karen Stout, the president of Montgomery County Community College, for having us. I want to thank all the professors and students who are here. If you're a younger student here at Montgomery Community College, this is a really interesting conversation for you to hear. I mean, it's important that you listen.

I want to thank our panelists who are here. I want to thank the county commissioners who are here, Jim Matthews being the chairman. Appreciate you, Mr. Chairman. Yes, lousy seat, doing a fine job, though.

I love the community college system in America, and I'll tell you why. Community colleges are flexible, available, and affordable. Community colleges can adjust curriculum to meet the needs of the time. Community colleges are a—Rick mentioned the word "hopeful"—a really hopeful place for people to gain the skills necessary to fill the jobs in a changing world.

And so I asked Karen, I said, "Have you got anything going on here that's different from the past?" She said, "Quite a few things. We've got a biotech curriculum now that will train workers for the jobs which actually will exist." She said, "We've got a fantastic nursing program. There's a huge demand for nurses." And she talked about medical assisting programs. I mean, there's a lot going on here, which says to me—it speaks for the vitality of an education system that's capable of adjusting to meet needs.

And so I want to congratulate those of you who support your community college system. I assure you that I will work with the Congress to see to it there's funding available to make sure people are trained for the jobs which will exist as we head into the 21st century. Thanks for having us. It's a fitting place to talk about the future, in an institution that is so dedicated to the future.

Today when I landed, I met David Bulkley. I don't know where David is. I hope he got a better seat than the chairman. There he is—yes, you did. [*Laughter*] I'm glad you're here, David. David is what we call a USA Freedom Corps volunteer. He is a mentor. And the reason I like to herald folks like David is that the true strength of America lies in the hearts and souls of our citizens. If you really think about it, we're a remarkable country because there are millions of people who are willing to take time out of their busy lives to volunteer to help somebody else.

David chose to do so through Big Brothers/Big Sisters Amachi Mentoring Program. It is a fabulous program. It's one to help youngsters whose mom or dad may be incarcerated. It is a necessary program. It is a vital program, and it works because loving people are willing to support it. If you're interested in serving your country, if you want to make your community a better place, feed the hungry, find shelter for the homeless, and surround somebody who hurts with love, just like David Bulkley has done.

I appreciate the example you've set, and thank you for coming.

Before I talk about Social Security, I do want to talk about a few other issues. You know, when the President gets the mike—[*laughter*]—I told her, she said—Laura said, "Where are you headed today?" I said, "I'm going down to North Carolina, and then I'm going to Pennsylvania." She said, "Let the panelists talk." [*Laughter*] She knows me well. [*Laughter*]

But I do want to talk about what a hopeful—how hopeful the world has been recently. There's been—some amazing things have happened. The people of Afghanistan voted for a President. Millions of people went to the polls after the country was rid of the Taliban. We acted in our self-defense in two ways: One, we rid the country of the Taliban that was fostering and providing safe harbor to Al Qaida, which had attacked our country, but we also enhanced our defense by working with that country to promote democracy—democracy in the part of the world that a lot of folks said it's just impossible to happen. But I don't subscribe to that kind of doubt or cynicism because I believe deep in everybody's soul is the deep desire to live in freedom.

And the Afghan people, when given that chance—I say that our security is more enhanced because democratic societies are

peaceful societies. Democracies promote peace as they listen to the hopes and aspirations of their people.

And then there was the vote in the Palestinian Territory. And I want to commend President Abbas for his leadership, his desire to fight off the terrorists so that a democracy can evolve in the Palestinian Territories, which will make it more likely we'll have peace with Israel.

And of course, the Ukrainian elections were a great inspiration for all. I'm looking forward to meeting President Yushchenko on my trip here to Europe. I think I'm going a week from today—2 weeks from today—soon—[*laughter*]—before the month is out. [*Laughter*]

And then, of course, a week ago Sunday, something amazing happened—that in spite of terror and fear and assassination attempts and threats, millions of people in Iraq went to the polls to say, "We will not be intimidated. We want to be free."

These are important events. They're incredibly important events. And I don't know if you suffered through the State of the Union, but there was an amazing moment where the Iraq human rights activist who voted and the mom of the fallen marine hugged, which spoke volumes to me about, one, the appreciation of the Iraqi people for the sacrifices being made on their behalf and, secondly, a mom honoring a fallen soldier, honoring her son. And I hope she realized then and I hope you all do, too, that by having a free society, not only are we more secure in the short run, but in the long run our children are more likely to grow up in a peaceful world. Freedom is on the march, and for the next 4 years as your President, I will continue to work with friends and allies to spread freedom and therefore peace around this world.

A couple of other things I want to talk about. The economy is moving—created 146,000 new jobs in January. The national unemployment rate is 5.2 percent. People are working. The fundamental question is, how do we keep it growing? I'm a big believer in legal reform. Today, I mentioned, the Senate took a big step. The House will then respond. I hope to be signing the bill relatively quickly. We need to do the same thing for asbestos lawsuits. We need to fix the system. Legal reform is an important part of making sure America is the best place in the world to do business and that the small-business sector remains strong and the entrepreneurial spirit is vibrant.

And so is good budget policy. I submitted a good, lean budget to the United States Congress the other day. I've heard from business leaders, both large and small. I've heard from community activists. I've heard from Members of both sides of the aisle say, "Let's do something about the deficit." I said, "All right, let's go, and here's a budget."

And inherent in that budget is, one, Government must set priorities. And when Government finds programs that aren't working, it must have the courage to eliminate them. And that's precisely what our budget does. It's a budget that sets priorities and a budget that makes it clear we will be wiser about how we spend the taxpayers' money. And I expect Congress to pass that budget.

We have an obligation to confront problems. Again, I want to talk about Social Security, which for years has been called the third rail of American politics. If you touch it, you expire politically. [*Laughter*] But I believe the job of the President is to confront problems, not to pass them on, not to say, "Okay, somebody else will solve it." And so I want to talk about Social Security, just like I did in the State of the Union and like I will do over and over and over again around this country to make it clear we have a problem.

And here's the problem. Rick mentioned it. I want to, again, say what he said. Baby boomers like me are fixing to retire, and there's a lot of us. There's a whole bunch more of us than perhaps at any other time

in our history. And yet we're living longer, and the Government has promised us greater benefits than the previous generation. And yet, as Rick mentioned, fewer people are paying into the system. So you can see the math. You've got more people living longer, getting greater promises with fewer people paying for it, which means, in the year 2018, the system starts to go into the red—in other words, more money going out than coming in.

Now, one of the myths about Social Security is there's a pile of money sitting there accumulating, because you put money in, the Government saves it for you, and then when you retire, you get it out. That's not the way the system works. Every dime that goes in from payroll taxes is spent. It's spent on retirees, and if there's excess, it's spent on Government programs. The only thing that Social Security has is a pile of IOUs from one part of Government to the next. This is a pay-as-you-go system.

And so therefore, when you have more retirees living longer for greater benefits with fewer people paying in, the system inevitably will go into the red. In 2018, 13 years down the road, it starts to go negative. And every year thereafter, the situation gets worse—in other words, more money is required to meet the promises, so that by the year 2027, the Government is going to have to come up with 200 billion additional dollars above and beyond the payroll taxes to meet promises; and greater the next year and greater the next year; 300 billion in 2037; until 2042, it's broke. And that's the dilemma we're faced with.

And the fundamental question is, are we willing to confront it? And so my first mission is to travel our country making it clear to people of all political parties, all demographics, we've got a problem. And you can define it "crisis," "big problem," whatever you want to define it. All I ask is that you look at the chart, and you can define the problem however you want to define it. If you're a young person who's going to have to tote the bill, I would call it a significant problem.

Now, it is not a problem for people who've retired and are near retirement. And so part of the reason I'm going to travel the country is not only to say to folks, "We got a problem, and here it is," but, "If you've retired, the system is in good shape for you. You don't have a darn thing to worry about. I don't care what the ads say. I don't care what the spinners say. You're in good shape. The system will meet its promises to you." And that's an important thing for seniors to hear, because I fully understand a lot of seniors rely upon Social Security. There's a lot of folks that count on this very important program in order for them to live.

And so for the next weeks, I'll be continually traveling our country saying two things: One, we've got a problem; and two, if you've retired or near retirement, born before 1950, you don't have a darn thing to worry about; the system will meet its promises.

Now, once people see there's a problem, the next question is going to be, what are you going to do about it? And I have an obligation to participate in the process. As Rick mentioned, my predecessor, President Clinton, addressed this issue. And there was a lot of interesting ideas that were floated about how to permanently fix Social Security. There's no need to put a bandaid on it now. Now is the time. If we're going to address it, we might as well fix it forever. And so we talked about different ideas. And as I said in my State of the Union, all ideas are on the table. If you've got a good idea, whether you're Republican or Democrat, bring it forth. People should feel free to be able to debate this issue without fear of political reprisal.

Now, I've got some ideas myself. And one of the ideas is to allow younger workers to take some of their own money and set up a personal retirement account. The idea is to allow a younger worker to be able to earn a better rate of return on his or

her money than that which is being earned as a result of the Social Security money going through the Federal Government. It's called the compounding rate of interest.

I'm not going to try to get on your turf. I was history major, C student. [*Laughter*] There's hope for you C students; there's hope for you. But let me give you an example of the compounding rate of interest. Now, the program that we're suggesting to Congress is that personal accounts start slowly so that we can better fund the transition to personal accounts, and that eventually, though, workers should be able to set 4 percent of their payroll taxes aside in a personal account.

So assuming that the 4-percent level is reached, a person earning $35,000 a year over their lifetime, setting aside 4 percent of the money, with the compounding rate of interest, by the time he or she retires, will have a nest egg of $250,000. Now, that's a capital base from which that person can draw money to supplement his or her Social Security check she'll be getting, however great that may be. So the personal account will be able to earn money over the course of time at a greater rate than the money that the Government holds. And that's important.

Now, people say to me, "What does a personal account mean? Is there an example of a personal account? Tell me—this sounds like a brandnew idea." It's not a new idea. If you're a Federal employee, you've got what's available—what's called a Thrift Savings Plan that says you can take some of your money and invest it in stocks and bonds. So we've done this before. My view is if it's good enough for Federal employees, it ought to be good enough for younger workers. In other words, it's an attractive way for people to build assets. We ought to, in Washington, at least be consistent in our thought. We ought to be fair in our dealings with people.

People say, "Well, what kind of investments could I invest in?" Well, obviously, we're not going to let you take your money and put it in the lottery. That would mean you wouldn't have anything left, in all due respect to those people who run the lotteries. Lotteries aren't meant for you to win. [*Laughter*] They're meant for a few people to win at best. Or you can't take it and shake dice at the local casino to try to enhance your return. In other words, there will be—the types of investment vehicles you'll be investing in will be regulated. There will be a conservative mix so that the risk is held down but the reward is greater than that which is in the Social Security trust.

People say, "Well, when I—if I'm the 35,000-a-year person, and I've got the 250,000 upon retirement, can I draw it all out?" No. You can't draw it out—all out. It is meant there to supplement your Social Security check. In other words, it is part of a retirement fund.

The distinct advantage of this is not only a greater rate of return, it's your own assets. I think there is something incredibly vital about a society in which people own something. And we want more people owning things in America, your own home, your own business, and owning and managing your own retirement account. I think it's a healthy thing for people to be able to have a quarterly statement, watching their asset base grow. It certainly would cause people to pay attention to the economic policies of the Federal Government. And I know that an account will be a vital part of a person planning for their future.

So, for example, if this person decides not to take all the money out of the account over time to retire, he could pass it on or she could pass it on to whomever she chooses. It becomes a part of a family legacy.

And so personal accounts have got a lot of advantage. And they're a new thought in terms of Social Security, but I think over time, as this debate takes place, people will see they're an essential thought. Personal accounts alone will not solve the problem. But personal accounts coupled with other

reforms that fix the problem will make it more likely a younger worker is going to get the benefits that the Government has promised—closer to the benefits the Government has promised. And that's important.

And so I'm looking forward to not only talking about the problem and the need for those of us who have earned the trust of the people to do something about it, but also to reassure the American citizens who've retired, "You don't have a thing to worry about. You're going to get your check," but also say to young people, "You better pay attention to this issue. If nothing happens, you're going to get stuck with an enormous tab: 200 billion in 2027; bigger every year until it's bankrupt. The longer we wait, the more severe the fix becomes."

We have an obligation and a duty to confront problems and not pass them on to future generations, and that's what we're here to talk about today.

And we're going to start with Olivia Mitchell. Olivia, you live in Pennsylvania. What do you do?

Olivia Mitchell. Thank you very much, Mr. President. It's a pleasure and a delight to be here. I teach at the Wharton School at the University of Pennsylvania. And I have to say I've been teaching in the area of Social Security and retirement for, shall we say, more than 25 years. What I have found over the years is that it takes an enormous amount of effort to get young folks to care about retirement planning. But this year, Mr. President, you've made a difference, because this year they're sitting up and paying attention. In fact, I was even able to get my 16-year-old daughter, sitting over here, to attend. So I thank you for that.

The President. Don't mention her. [*Laughter*] I tried that once, introduced my 16-year-old daughters, and they didn't speak to me for months. [*Laughter*]

You know, since she talked about young people—sorry to interrupt—I'm not listening to Laura, obviously. [*Laughter*] Somebody told me an interesting—they saw a survey that said younger people believe they're likely to see a UFO than get a Social Security check. [*Laughter*] Anyway. [*Laughter*] I don't know if it's true.

[*At this point, Dr. Mitchell, director, Pension Research Council, Wharton School, University of Pennsylvania, made brief remarks.*]

The President. Thank you.

Robin Reedy, you ready to go?

Robin Reedy. I'm ready as I'll ever be.

The President. If that's the case, speak in the mike. [*Laughter*]

Ms. Reedy. Yes, okay. I'm sorry. [*Laughter*] Guess I wasn't ready. [*Laughter*]

The President. Robin has got a compelling story. Why don't you share your story with us, please.

[*Ms. Reedy, widow, Camp Hill, PA, made brief remarks, concluding as follows.*]

Ms. Reedy. Without the income from my husband and without the future income that he is going to be providing, I am really struggling now to try to come up with a plan that can keep me going if, God willing, I'm around for another 20 or 40 years.

The President. You look like you will be.

Ms. Reedy. Thank you. [*Laughter*] I hope so.

The President. She claims she's a grandmother.

Ms. Reedy. Guys, if you're out there, hi. [*Laughter*]

[*Ms. Reedy made further remarks.*]

The President. Her husband pays into the system; he passes away unexpectedly; and for a period of time, there is—the money he has contributed has no value to her.

Ms. Reedy. It's gone. He put it in—for 45 years he's paid money in there.

The President. Now, there will be survivor benefits starting at the age 60.

Ms. Reedy. Some, yes.

The President. But not nearly as much as he put in. And the point of a personal

account is that, for peace of mind in this case, there would be a nest egg, your money, your assets, that—on which you could live. And that's one of the benefits. And the system has worked great for a lot of people. But there are some glaring errors, and here is one. And a personal account, an asset base, helps address that error.

Ms. Reedy. It would be something that would be mine, and it would not belong—go back to the Government.

The President. Absolutely. Are your kids taking care of you?

Ms. Reedy. Are my kids—oh, my kids are great.

The President. Well, good, keep doing it, kids.

Ms. Reedy. They help. They're wonderful. They're wonderful.

The President. Listen to your mother as well. [*Laughter*]

Ms. Reedy. But I think a lot of the young women here need to realize, too, that—and I didn't realize this until I became a widow, that by the age of 60, one in six of us will be widows. I mean, that's just a statistical fact. And that goes up—it goes up very rapidly after that. So to have something like that that is left behind to you, that can help you through a very difficult period, I think would be a very, very good thing. It would be a godsend, and it would be fair, and it would be just.

The President. Good job. Thanks for coming.

All right. Sukha Brooks.

Sukha Brooks. Hi, good evening, Mr. President.

The President. Sukha, where do you live?

Ms. Brooks. I live in Morton, Pennsylvania.

The President. Morton, Pennsylvania.

Ms. Brooks. Morton, Pennsylvania.

The President. And?

Ms. Brooks. I'm currently going through a divorce, and I have three children. Social Security is very important to me. I'm 37 years old. I have an 18-year-old that's started Delaware County Community College, and she's majoring in education. She's—her aspirations are to become a teacher.

The President. Good, that's good—noble.

Ms. Brooks. Two more children, and Social Security is very important, being a single mother. We anticipated a lot more investing on my husband's side. I work for a small business, so we did a lot of the investing through his company. And now at the age of 37, I was happy that—when you talked about this revamping Social Security, particularly on the aspect of personal accounts, because I need to make up some lost time. And I think what you're proposing is giving someone that's in my situation an opportunity to be able to take a personal account into my retirement and to look forward to something, particularly a higher return in what you're proposing.

The President. Yes. You know something amazing, I was just thinking, listening to Sukha—when I was her age, there wasn't a lot of talk about, one, whether Social Security was going to go down the tubes. Fellow baby boomers here, back me up, will you? There wasn't much doubt in our mind, right? It wasn't a conversation. Nor was there a lot of talk about 401(k)s, IRAs, personal accounts. The world of ours has changed. Here's Sukha saying, "Give me a chance to invest my own money." There has been a shift of attitude amongst Americans—all walks of life—all walks of life.

And I appreciate that spirit of wanting to own something to bring peace of mind and to pass something on to your children.

Ms. Brooks. I appreciate you giving us the opportunity.

The President. I'm glad you're here. Thanks for coming, Sukha. Great job.

Tommy McManus.

Thomas McManus. Mr. President.

The President. Tom, glad to see you.

Mr. McManus. First, I want to welcome you back to the great State of Pennsylvania.

The President. Oh, yes, glad to be back. Thank you. I heartily concur.

Mr. McManus. I'm here today with my lovely wife, Kim, my young daughter Cheyenne, who is 4½, and my mom and dad who are Social Security participants. My young son Brendan is at home with my—his grandmother. He's three. And I've got two major concerns with the current status of Social Security.

The President. First, what do you do—give us a read on what you do. I think people——

Mr. McManus. I am a certified financial planner.

The President. Good.

Mr. McManus. What I do in my professional life, I help people build dream retirements.

The President. Right.

Mr. McManus. I work for a local company right here in Montgomery County called Lincoln Investment Planning. And my main objective every day is to help people achieve their retirement dreams.

The President. Before we get to why you care about Social Security, let me ask you a couple of questions about investment vehicles. See, people wonder whether or not it is possible to design a system that is simple for all to understand and achieves an investment objective which is limited risk and a better rate of return than the paltry sum that is now garnered within the Social Security. This is kind of a leading question. I'm not even a lawyer, but do you—[*laughter*]—I presume that happens all the time at your business.

I mean, people have got to understand. There's some concerns about what a personal account means—what can you invest in and what can you not invest in? And is it possible to design a system that helps us achieve the objective, which is security upon retirement?

Mr. McManus. Well, I agree with you, Mr. President. My own feeling is—and I convey this in my practice—a dream retirement consists of three components: your employer-sponsored plan, your personal savings and investments—IRAs, 403(b)s, 401(k)s, that kind of thing—and Social Security.

[*Mr. McManus made further remarks.*]

The President. See, that's an interesting dynamic for those political scientists out there. Let me share some—a view on what he just said. See, I campaigned on the issue because I realized, one, we needed to do something and I wanted people to think that if the guy got in he would take on big problems, but also I recognized there were a lot of young people in America who feel the same way Tom feels. They're not going to see anything. In other words, the dynamic has shifted dramatically.

And it will particularly shift once senior citizens fully understand nothing changes. See, once the senior citizen understands that the system is solvent for them, the drivers of this policy are going to be people like Tom who say, "Wait a minute. You've taken care of one generation. How about us?" And it's amazing what happens when people start to speak on an issue. Congress—if they speak loud enough and consistently enough and long enough, Congress tends to respond. And that's why I'm hopeful we can get something done.

Keep going.

[*Mr. McManus made further remarks.*]

The President. I'm going to be holding those hands right with you, because it's the truth. No matter what the rhetoric might be, the truth is you don't have a thing to worry about. The people that have something to worry about are youngsters. You're a youngster. [*Laughter*] And—I'm no longer a youngster—and that's why we've got to act.

Speaking about youngsters, Sara is with us. Sara Holcombe. Welcome.

Sara Holcombe. How are you?

The President. Well, I'm doing pretty good. Thanks very much. Feeling pretty spunky. [*Laughter*]

[*Ms. Holcombe, recruiter, Gateway Search Associates, Blue Bell, PA, made brief remarks.*]

The President. Yes, see—I'm going to say it again. People are thinking differently about their own money. It is a remarkable generational shift, isn't it? If you really think back, if those baby boomers here think back, we weren't really spending a lot of time talking about, "Oh, I want to be able to take my own money out of Social Security and put it in something that would grow over time." It's really changed. And I think a lot of younger workers are now beginning to say, "Just give me a chance to do a better job than the Government has done on my behalf."

I repeat to you, the 35,000-a-year person—that's 35,000 over his or her lifetime—taking 4 percent of the payroll tax, which isn't all that much money, compounds, though, over a period of time to 250,000. So if you're—I don't know if it works—if you were to say the person who makes 70,000 over their lifetime and you compound the same, it actually ends up being 500,000, but it's substantially more than 250. We're talking about people over their lifetime being able to accumulate quite a sizeable nest egg to supplement that which the Government may be able to pay.

Keep going. We've got to kind of fill some time here. [*Laughter*]

Ms. Holcombe. I also have parents that are nearing the retirement age and a grandfather who is 100-percent dependent on his Social Security check. And part of my attitude in this is, I want to make sure that the system stays the same for them but is progressive enough to be there when my generation needs it.

The President. Yes, that's the question. She's actually laid out the dilemma: Can we do that? And my answer is absolutely. Now, it's going to require a political will that is a little different than what's taking place in Washington, I fully concede. I mean, if this is all viewed through the prism of, "Well, I can't cooperate with so-and-so because they're of a different political party," then I can't say that's going to happen. But I do believe that the people, if they speak loud enough, are able to affect policy. And I do believe if young people pay attention to this issue and start saying, "We expect you—we expect you, Mr. President, and we expect people, regardless of their party, to come together and get this thing fixed now, before it is too late," we've got a shot at getting it done.

My pledge to you is I'm going to work hard on the issue. I think it is a vital issue. I like to get out of Washington, and I like to travel around the country. I went to five States after the State of the Union. I went to two States today. Every week—except for that which I'm going to be in Europe—I'm going to keep traveling the country reminding people of the obligation that we have in Washington, DC, to bring folks together and to fix this problem, so that people will say, when it's all said and done, "They came, they went, and they did their job."

Listen, I want to thank you all for coming. I hope you found this conversation interesting, informative. It is—I believe it's necessary. And I want to thank our panelists who did a fantastic job of sharing with us what's on your mind. There's a lot of people like you out there that are asking the question, "What are you going to do about it?" And I'm ready to lead on the issue.

May God bless you all. Thanks for coming.

NOTE: The President spoke at 4:22 p.m. at Montgomery County Community College. In his remarks, he referred to James R. Mathews, chairman, Board of Commissioners, Montgomery County, PA; President Hamid Karzai of Afghanistan; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; President Viktor Yushchenko of

Ukraine; and Janet Norwood, mother of Sgt. Byron Norwood, USMC, who was killed in Iraq on November 13, 2004, and Iraqi citizen and political activist Safia Taleb al-Suhail, both of whom were guests of the First Lady at the President's State of the Union Address on February 2.

Statement on Senate Passage of Class-Action Lawsuit Reform Legislation
February 10, 2005

Our country depends on a fair legal system that protects people who have been harmed without encouraging junk lawsuits that undermine confidence in our courts while hurting our economy, costing jobs, and threatening small businesses. The class-action bill is a strong step forward in our efforts to reform the litigation system and keep America the best place in the world to do business. I applaud the strong bipartisan majority in the Senate for passing this bill, and I call on the House to act promptly so that I can sign it into law.

Remarks at a Swearing-In Ceremony for Michael O. Leavitt as Secretary of Health and Human Services
February 11, 2005

The President. Good morning. I'm proud to visit this fine Department and to congratulate my friend Michael Leavitt on becoming America's 20th Secretary of Health and Human Services. Congratulations.

Secretary Leavitt. Thank you, Mr. President.

The President. I know this is a particularly special day for Mike—after all, it's his 54th birthday. [*Laughter*] And it's always a special day for him when his family members are here. He loves his family. He's got a great wife named Jackie; Westin is here representing his brothers and sisters; his dad's first name is Dixie—kind of sounds like he should be from Texas. [*Laughter*] Appreciate the other members of the Leavitt family who are here.

I want to thank Senator Bob Bennett from the great State of Utah for joining us, and Congressman Ralph Regula for being here. I appreciate you both coming. I want to thank other members of my Cabinet and administration who have joined us. I particularly want to thank the men and women of Health and Human Services for your hard work and remind you that you're serving during a critical time for America's health and well-being.

Thanks to Secretary Tommy Thompson's superb leadership, HHS has helped our medical community prepare for a new era in public health. You've made groundbreaking progress toward new cures for disability and disease. You've led a bold initiative to win the global fight against HIV/AIDS. The good work of this Department is making America healthier and more hopeful, and I thank each of you for your commitment and your compassion.

As Secretary Leavitt begins his service, HHS is embarking on a set of new challenges and historic opportunities. One of your most important responsibilities will be implementing the Medicare Modernization Act, which I signed some 14 months ago.

This law is a landmark achievement in American health care, and millions of older Americans are already benefiting from its reforms.

Because we acted, Medicare now covers preventive medicine, including screenings for heart disease and diabetes, and a "Welcome to Medicare" physical. Instead of waiting to get sick or facing costly treatments, seniors can now identify problems early and manage them before they grow worse. By reducing major surgeries and longtime hospital stays, preventive medicine will save money, and more importantly, it will extend the lives of our seniors.

Because we acted, Medicare will also cover prescription drugs. Under the old system, Medicare would pay $28,000 for ulcer surgery but not the $500 a year for the prescription drugs that eliminated the cause of most ulcers. That system didn't make any sense. It made no sense for our seniors. It made no sense for American taxpayers.

Because prescription drugs are expensive, many seniors face the terrible choice between buying groceries and buying medicine. We left those days behind with the Medicare Modernization Act. Low-income seniors can get up to $600 to buy medicine this year. Next January, every senior in Medicare will have the option of a prescription drug benefit. And so that all seniors can get the care they need, low-income seniors will get extra assistance and will pay a reduced premium or no premiums at all on prescription drugs.

Because we acted, seniors in Medicare will have more control over their health care. Seniors will be able to choose a health plan that meets their needs, and health plans will compete for their business, which will lower costs throughout the program. The system probably sounds familiar to some here—[*laughter*]—after all, it's what we offer Federal employees. If choosing your health plan is good enough for the Federal employees, it's good enough for America's seniors as well.

Putting these reforms into action will be challenging. But with the leadership of Secretary Leavitt and Administrator McClellan, I know you're up to the task. We all know the alternative to reform, a Medicare system that offers outdated benefits and imposes needless costs. For decades, we promised America's seniors that we can do better, and we finally did. Now we must keep our word. I signed Medicare reform proudly, and any attempt to limit the choices of our seniors and to take away their prescription drug coverage under Medicare will meet my veto.

Secretary Leavitt will also lead important reforms in the Medicaid program. He will work closely with the Governors to make Medicaid more fair and more flexible. And together, we will take new steps to ensure that Medicaid fully serves our most vulnerable citizens, especially our children. Both Medicare and the State Children's Health Insurance Program—it's what's called SCHIP—offer preventive care to low-income families at little or no cost. Yet millions of eligible American children are not signed up. So I proposed a billion dollar effort called "Cover the Kids" to help States and community groups and faith-based charities enroll more children in Medicaid and SCHIP. We must not allow a lack of attention or a lack of information to stand between these children and the health care they need.

To reinforce America's health safety net, we are also increasing support for community health centers. These compassionate facilities meet a critical need by providing primary care to the poor and the uninsured. They also take the pressure off of our emergency rooms and our hospitals. When I took office, I pledged to open or expand 1,200 community health centers by 2006. Thanks to the hard work of this Department, we've opened or expanded 619 centers so far, and we're on track to meet our objective by the end of next year. Now Secretary Leavitt and I are working toward a new goal: We will ensure that every poor

county in America has a community health center.

As we deliver quality health care to those in need, we must also help more adults find private health insurance at their jobs. More than half of all the uninsured Americans are small-business employees and their families. To help these people get good coverage, I have asked Congress to allow small businesses to pool together to buy insurance at the same discounts that big companies get. I've proposed tax credits for small businesses and low-income workers that would allow more people to open tax-free health savings accounts. To reduce health care costs and prevent medical errors, we're working to expand the use of information technology in health care. And to make health care more affordable for every doctor, patient, and entrepreneur, Congress needs to pass medical liability reform this year.

At HHS you bring the hope of better health to millions of your fellow citizens, and you do much more. HHS promotes adoption and abstinence and preschool education and leads our efforts to stop drug abuse and domestic violence. Secretary Thompson has called this "America's Department of Compassion," and I know Secretary Leavitt sees it the same way.

Many of your greatest allies in the armies of compassion are found in faith-based and community groups. With Secretary Leavitt's leadership, we'll continue to support the hopeful works of these caring citizens. We'll also work with Congress to reauthorize welfare reforms that require work and strengthen marriage and promote responsible fatherhood. We'll continue the life-saving work of combating HIV/AIDS at home and abroad.

As you fulfill all these duties, HHS is also meeting the needs of a nation at war. Researchers at NIH and the Centers for Disease Control are on the frontlines of defending America against the threat of bioterror. FDA inspectors are expanding efforts to secure the food supply and ensure the safety of medicine. We've completed the doubling of funding for medical research at NIH. Yet spending is not our only measure of success. When we commit taxpayer dollars, we will insist on results in return. And in every scientific pursuit, we will uphold the values of freedom, equality, and human dignity. We must never sanction the creation of life only to destroy it.

With this new responsibility, HHS Secretary Leavitt continues a distinguished career of public service. I've known him as a Governor. We're members of the ex-Governor's club. [*Laughter*] I've known him as the Administrator of the EPA. I've witnessed his integrity and creativity and compassion. He has a proven ability to move beyond the partisan debate, to work with leaders at all levels of government, and to improve the lives of the people he serves. That is what I've asked Mike to do as America's Secretary of Health and Human Services. With your help, I know he will succeed.

Congratulations.

NOTE: The President spoke at 10:45 a.m. in the Great Hall at the U.S. Department of Health and Human Services. The transcript released by the Office of the Press Secretary also included the remarks of Secretary Leavitt.

Remarks at the Performance of "Lincoln Seen and Heard"
February 11, 2005

Thank you for that wonderful performance. Laura and I welcome you all to the White House.

I appreciate the members of my Cabinet who are here and former members of the Cabinet who are here. I thank Senator Bill Frist for joining us as well as Congressman Mel Watt. Thank you both for coming.

I appreciate Michael Steele, the Lieutenant Governor of the great State of Maryland, for joining us. I want to thank Bruce Cole, the Chairman of the National Endowment for the Humanities. I appreciate Brian Lamb joining us today, the president and CEO of C–SPAN.

I thank the U.S. Lincoln Bicentennial Commission members and the Advisory Committee for joining us today. I appreciate all the Lincoln scholars and authors who are here.

I particularly appreciate Sam Waterston and Lynn and Graham for joining us as well as Harold Holzer and Edith and Meg. Thank you all for coming.

Sam and Harold have had a good many reviews since they first took "Lincoln Seen and Heard" on the road. Perhaps the most enthusiastic review I heard came from two unimpeachable sources, Mother and Dad—[*laughter*]—who told how much they enjoyed the performance when they saw it in Houston. Tonight we've had the special honor of listening to Lincoln's words being read in the very house where so many of them were written.

Harold Holzer has written, coauthored, or edited 23 books on Lincoln and the Civil War. He Cochairs the U.S. Lincoln Bicentennial Commission and in his spare time—[*laughter*]—works for one of Laura's favorite museums, the Metropolitan Museum of Art in New York. He's an avid New York Yankee fan who had a miserable year last year. [*Laughter*] He has won many awards for his work, and his latest book is, "Lincoln at Cooper Union."

This evening I can let you all in on a secret. Tomorrow it will be announced that Allen Guelzo, who is with us tonight, and Harold Holzer are this year's first and second place winners of the prestigious Lincoln Prize.

Congratulations.

Those of you who know Sam Waterston as "Jack McCoy" should know that America's most famous assistant district attorney has portrayed Abraham Lincoln on stage, on television, and so I'm told, even in ballet. [*Laughter*] He didn't dance. [*Laughter*] But he did narrate a special version of Aaron Copland's "Lincoln Portrait" while ballet dancers performed around him. [*Laughter*] Sam has said, "If I have to be typecast, I'd like to be typecast as Abraham Lincoln." I like a guy who aims high. [*Laughter*]

In his readings tonight, Sam noted that it was on this very day back in 1861 that Abraham Lincoln said goodbye to his home in Springfield, Illinois, never to return. Over the next 4 years, from this house, Lincoln would endure a bitter civil war that included terrible defeats as well as ringing victories; he'd sign the Emancipation Proclamation right upstairs; and he would live to see his hopes for peace and unity rewarded, before his life was taken at Ford's Theatre on Good Friday, 1865.

The Civil War was decided on the battlefield; the larger fight for America's soul was waged with Lincoln's words. In his own day, Lincoln set himself squarely against a culture that held that some human beings were not intended by their Maker for freedom. And as President, he acted in the conviction that holding the Union together was the only way to hold America true to the founding promise of freedom and equality for all. And that is why, in my

judgment, he was America's greatest President.

We're familiar with the words of the Gettysburg Address and the Second Inaugural, so eloquently read by Sam. And this performance reminds us that Lincoln wrote his words to be spoken aloud—to persuade, to challenge, and to inspire. Abraham Lincoln was a master of the English language, but his true mother tongue was liberty.

I hope that every American might have the experience we had here tonight, to hear Lincoln's words delivered with Lincoln's passion and to leave with a greater appreciation for what these words of freedom mean in our own time.

Thank you all again. Please join us at the reception. And may God continue to bless our great land.

NOTE: The President spoke at 5:58 p.m. in the East Room at the White House. In his remarks, he referred to Sam Waterston, actor on NBC's television series "Law & Order," his wife, Lynn Waterston, and their son Graham Waterston; Harold Holzer, Cochair, Abraham Lincoln Bicentennial Commission, his wife, Edith Holzer, and their daughter Meg Holzer; and author Allen C. Guelzo.

The President's Radio Address
February 12, 2005

Good morning. In my State of the Union Address, I discussed the need to act to strengthen and save Social Security. Since then, I have traveled to eight States and spoken with tens of thousands of you about my ideas. I have reminded you that Social Security was one of the great moral successes of the 20th century. And for those born before 1950, I have assured you that the Social Security system will not change in any way and you will receive your checks. I've also warned our younger workers that the Government has made promises it cannot pay for with the current pay-as-you-go system.

Social Security was created decades ago for a very different era. In 1950, about 16 workers paid into the system for every one person drawing benefits. Today, we have only about three workers for each beneficiary. And over the next few decades, baby boomers like me will retire, people will be living longer, and benefits are scheduled to increase dramatically. Eventually, there will be just two workers per beneficiary. With every passing year, fewer workers will be paying ever-higher benefits to ever-larger numbers of retirees.

So here is the result: 13 years from now, in 2018, Social Security will be paying out more than it collects in payroll taxes, and every year afterward will bring a new and larger shortfall. For example, in the year 2027, the Government will somehow have to come up with an extra $200 billion a year to keep the system afloat. By the year 2033, the annual shortfall would be more than $300 billion a year. And by the year 2042, the entire system would be bankrupt. If we do not act now to avert that outcome, the only solutions would be dramatically higher taxes, massive new borrowing, or sudden and severe cuts in Social Security benefits or other Government programs.

To keep the promise of Social Security alive for our children and grandchildren, we need to fix the system once and for all. Fixing Social Security permanently will require a candid review of the options. In recent years, many people have offered suggestions such as limiting benefits for wealthy retirees, indexing benefits to prices instead of wages, increasing the retirement

age, or changing the benefit formulas, and creating disincentives for early collection of Social Security benefits. All these ideas are on the table.

I will work with Members of Congress and listen to any good idea that does not include raising payroll taxes. But we cannot pretend that the problem does not exist. Social Security will go broke when some of our younger workers get ready to retire, and that is a fact. And if you're a younger person, you ought to be asking your elected officials, "What are you going to do about it?" Because every year we wait, the problem becomes worse for our children.

And as we fix Social Security permanently, we must make it a better deal for younger workers by allowing them to set aside part of their payroll taxes in personal retirement accounts. The accounts would be voluntary. The money would go into a conservative mix of bond and stock funds that would have the opportunity to earn a higher rate of return than anything the current system could provide. A young person who earns an average of $35,000 a year over his or her career would have nearly a quarter million dollars saved in his or her own retirement account. And that money would provide a nest egg to supplement that worker's traditional Social Security check or to pass on to his or her children. Best of all, it would replace the empty promises of the current system with real assets of ownership.

Reforming Social Security will not be easy, but if we approach this debate with courage and honesty, I am confident we will succeed, because our children's retirement security is more important than partisan politics.

Thank you for listening.

NOTE: The address was recorded at 7:32 a.m. on February 11 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on February 12. The transcript was made available by the Office of the Press Secretary on February 11 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Statement on the Announcement of Provisional Results of the Iraqi Election

February 13, 2005

Two weeks ago, more than 8 million Iraqis defied terrorists and went to the polls. The world saw long lines of Iraqi men and women voting in a free and fair election for the first time in their lives. The United States and our coalition partners can all take pride in our role in making that great day possible.

Today the provisional results of the election have been announced. We still await their review and certification. I congratulate the Iraqi people for defying terrorist threats and setting their country on the path of democracy and freedom. And I congratulate every candidate who stood for election and those who will take office once the results are certified.

Remarks at a Swearing-In Ceremony for Alberto R. Gonzales as Attorney General at the Department of Justice
February 14, 2005

Good morning. Laura and I are pleased to be here with Al Gonzales, his wife, Becky, and his wonderful family. Thank you all for coming. I turned to Al and said, "It seems like they're cheering pretty loud." He said, "Most of them work for me now." [*Laughter*]

For the past decade, Al has been a close adviser, an honorable public servant, and a dear friend. Now he assumes a new title. Today it is my honor to call this son of Humble, Texas, the 80th Attorney General of the United States.

I appreciate Justice Sandra Day O'Connor for administering the oath and admitting publicly that she was born in Texas. [*Laughter*] I want to thank the current and former members of my Cabinet who are here. I appreciate Senator Pat Leahy, Senator Judd Gregg and Kathy, Senator John Cornyn and Sandy, Senator Mel Martinez for joining us today. I thank Congresswoman Grace Napolitano for joining us. I thank the other distinguished guests who are here, and I thank the Texans who have come up.

As Attorney General Gonzales begins his service, he will build on the outstanding work of Attorney General John Ashcroft. Over the past 4 years, Attorney General Ashcroft has started the Department of Justice on the right course in the war on terror. He's helped reduce violent crime to a 30-year low. He's taken vital new steps to protect children from exploitation. John Ashcroft has worked tirelessly to make our Nation safer and more just, and America is thankful for your lifetime of service.

Attorney General Gonzales now joins every employee at the Department of Justice in an urgent mission to protect the United States from another terrorist attack. Few periods in our history have demanded so much of this Department. With Al's principled leadership, the Department of Justice will continue this important mission and will defend the security of all Americans and the liberty of all Americans.

The men and women of this Department are meeting your duty every day, from your headquarters in Washington to U.S. attorneys offices across the country, to dangerous posts overseas. You've reorganized your resources to confront the threats of this new war. You've devised effective methods to investigate and prosecute terrorists. Some of you have volunteered for demanding new duties in complex areas such as intelligence and counterterrorism.

Our Nation is grateful for your dedication and sacrifice, and in return, we must provide you all the tools you need to do your job. And one of those tools is the PATRIOT Act, which has been vital to our success in tracking terrorists and disrupting their plans. Many key elements of the PATRIOT Act are now set to expire at the end of this year. We must not allow the passage of time or the illusion of safety to weaken our resolve in this new war. To protect the American people, Congress must promptly renew all provisions of the PATRIOT Act this year.

Your mission to ensure equal justice for every American extends far beyond the war on terror. By aggressively prosecuting gun criminals and drug dealers, you make neighborhoods safer for all families. By holding corporate wrongdoers to account, you build confidence in our economy. By protecting victims of child abuse and domestic violence, you help guarantee a compassionate society. And by defending the civil rights of every American, you affirm the dignity of every life and you set an example of liberty for the entire world.

As we strive to provide equal justice, we must ensure that Americans of all races

and backgrounds trust the legal system. By spreading the use of DNA analysis, we can solve more crimes, lock up more criminals, and prevent wrongful conviction. So I've asked Congress for more than a billion dollars over 5 years to expand this vital technology. And to help ensure that the death penalty is applied justly, I've also requested new funding to train prosecutors, judges, and defense counsels in capital cases.

To maintain confidence in the legal system, we must ensure that judges faithfully interpret the law, not legislate from the bench. I've a constitutional responsibility to nominate well-qualified men and women for the Federal courts. I have done so. And I've benefited greatly from the sound judgment of Attorney General Gonzales on picking qualified people to serve on our benches. I will continue to rely on his advice. And the United States Senate must also live up to its constitutional responsibility. Every judicial nominee deserves a prompt hearing and an up-or-down vote on the floor of the United States Senate.

As he embarks on all these duties, Attorney General Gonzales has my complete confidence. From his early days of selling soda at Rice University football games to his time in the Air Force to his distinguished legal career and service on the White House staff, Al has been a model of courage and character to his fellow citizens. I've witnessed his integrity, his decency, his deep dedication to the cause of justice. Now he will advance that cause as the Attorney General and ensure that more Americans have the opportunity to achieve their dreams.

Attorney General—or General—congratulations.

NOTE: The President spoke at 10:06 a.m. in the Great Hall at the U.S. Department of Justice. In his remarks, he referred to Kathleen MacLellan Gregg, wife of Senator Judd Gregg; and Sandy Cornyn, wife of Senator John Cornyn. The transcript released by the Office of the Press Secretary also included the remarks of Attorney General Gonzales. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Statement on the Request for Fiscal Year 2005 Supplemental Appropriations for Ongoing Military and Intelligence Operations and Selected Other International Activities

February 14, 2005

With the help of the United States and coalition partners, the Iraqi and Afghan people have set their countries on the path of democracy and freedom. As both nations work to cement this great progress, our troops and assistance will continue to play a critical role.

The majority of this request will ensure that our troops continue to get what they need to protect themselves and complete their mission. It also provides for the continued pursuit of Al Qaida and other terrorist elements in Afghanistan and elsewhere. And it reflects our core mission in Iraq and Afghanistan by providing funding to accelerate efforts to train and equip Iraqi and Afghan forces, so they can assume greater responsibility for their own security, and our troops can return home with the honor they have earned.

Other important funding in this emergency request includes resources to seize the opportunity to build peace and democracy in the Middle East, to continue helping nations affected by the tsunamis, and to address other unforeseen needs.

I urge the Congress to move quickly so our troops and diplomats have the tools they need to succeed.

Letter to the Speaker of the House of Representatives Transmitting a Request for Fiscal Year 2005 Supplemental Appropriations for Ongoing Military and Intelligence Operations and Selected Other International Activities

February 14, 2005

Dear Mr. Speaker:

Today, I am submitting a request for fiscal year 2005 supplemental appropriations of $81.9 billion for ongoing military and intelligence operations in support of Operation Iraqi Freedom, Operation Enduring Freedom, and selected other international activities, including tsunami relief and reconstruction. This request reflects urgent and essential requirements. I ask the Congress to appropriate the funds as requested and promptly send the bill to me for signature.

These funds will support U.S. Armed Forces and Coalition partners as we advance democracy, fight the insurgency, and train and equip Iraqi security forces so that they can defend their sovereignty and freedom. In Afghanistan, our Armed Forces continue to track down terrorists, help the Afghan people rebuild their country, and train and equip Afghan security forces so that Afghanistan, too, may continue to take control of its democratic future.

My request will provide funds needed to repair, refurbish, and procure equipment needed by the Armed Forces to win the War on Terror. In addition, this request will fund the Army's Modularity plan to restructure three brigades deploying to Iraq.

Finally, this request will assist the Palestinians as they build a democratic state, will provide relief for the humanitarian crisis in Darfur, and will support relief, rehabilitation, and reconstruction efforts in countries devastated by the recent Indian Ocean tsunami.

I hereby designate the specific proposals in the amounts requested herein as emergency requirements. I urge the Congress not to attach to this proposal items that are not directly related to these emergencies abroad. The details of the request are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

GEORGE W. BUSH

Remarks in a Discussion on Strengthening Social Security in Portsmouth, New Hampshire

February 16, 2005

The President. Thanks for coming. Hi, John. It's nice to be back with friends. Thank you all for being here. We're here to talk about a vital issue, and that is Social

Security. But before I do, I want to say hello to some folks, maybe talk about a few other things. And then we'll get our panel involved.

Before I begin on other things, I just want you to know what I think my job is, to confront problems, and not to pass them on. And so, as you hear a discussion about issues, I hope you keep that in mind. I believe a leader ought to, when they see a problem, address it head on and not say, "Okay, we'll wait for somebody else to take care of the problem." That's what we're here to discuss.

First, I want to really thank your Senators from the great State of New Hampshire, Senator Judd Gregg and Senator John Sununu. I appreciate their leadership. I appreciate their advice. I appreciate the fact that they're willing to jump on Air Force One any time I come to New Hampshire, for a free ride. [*Laughter*] Judd is in charge of the budget for the United States Senate. Believe me, he brings a sharp New Hampshire eye to the budget process, and that's good. I'm looking forward to working with him. He'll be a great budget leader.

I want to thank the speaker of the house, Speaker Scamman, and the president of the New Hampshire Senate for joining us. Thank you, members, for being here. I'm proud you're here. I want to wish my friend Commissioner Dick Flynn a happy birthday. Today is his birthday. I want to thank the State and local officials who are here, appreciate you coming.

I want to thank Reggie Wright. I met—where's Reggie? Yes, Mr. Wright, thank you for coming. Reggie Wright is 81 years old—or will be 81 on Monday. He is a volunteer at the veterans hospital, and I appreciate that. The Portsmouth Veterans Affairs Community Based Outpatient Clinic, right here in—that's a long word, but anyway—a long series of words—here at Pease. And I appreciate his volunteering.

See, here's the thing about volunteering. If you volunteer to make your community a better place, you're adding to the great compassion of America. And so, for those of you who are taking time out of your life to help feed the hungry or provide shelter for the homeless or love somebody who hurts, I want to thank you for being a soldier in the army of compassion. Thank you for setting such a good example, Reggie. I appreciate that.

I'm getting ready to go to Europe, and I'm looking forward to it. I'm looking forward to talking about how we can work together to extend freedom around the world so that the world is more peaceful for generations to come. I'm looking forward to reminding the people of Europe that there has been some amazing events in the march of freedom, if you think about it. The Afghan people went to the polls in the millions to vote for a new leader, and that is important, providing an example for others to show what can happen when people are given a chance to live in a free society. Free societies are peaceful societies. Democracies produce peaceful nations. And the elections of Afghanistan—I hope you found them as hopeful as I did, and I'm convinced many in the—on the continent of Europe found hopeful as well.

I will remind them about what happened in Iraq. It was a grand moment when millions defied the terrorists and went to the polls to say, "We want to live in a free society." For those of you who have been to Iraq—I see we've got some marines here—or family members in Iraq, I want to thank you for your loved ones' sacrifices. I hope that the hug that took place at the State of the Union spoke to you as much as it spoke to a lot of people I've talked to. It certainly spoke to me. It said that there's a mom who's longing for—to be able to hug her son, but her son's sacrifice was recognized by the woman who got to vote. It was a—I thought it was a wonderful moment of compassion and freedom and, eventually, peace that we all want for our children and grandchildren.

Freedom is on the march, and I look forward to working with our friends in Europe to continue that march, so when it is all said and done we can look back and say, "The world is safer and more peaceful for our children and grandchildren."

Looking forward to working with the Congress to make sure we put things in place—plans in place to keep this economy growing. The unemployment rate here is 3.3 percent. That's pretty low. Things are going well. I suspect it's because the entrepreneurial spirit is strong, and so we've got to work on ways to make sure the entrepreneurial spirit remains strong all around the country.

I've got some ideas. One is to make sure the budget is wise. I'm looking forward to working with Judd and Members of the House and the Senate to say, "We'll set priorities with your money. We'll make sure there's clear priority. If a program doesn't work, we need to eliminate it." We need to be wise about spending the money. And I think that will set the tone for future economic growth, when people see that we're serious about dealing with our deficits.

We're going to do something about lawsuits. The Senate voted out a good bill on class-action lawsuits. There's more lawsuit reform that needs to be done. I'm looking forward to working with the House and the Senate. We want to make sure the scales of justice are balanced. And they're not balanced around this country when frivolous lawsuits make it hard for small businesses to expand their employee base, and they're not balanced when doctors are getting run out of practice. This Congress needs to do something about asbestos, and they need to get a medical liability reform to my desk.

There's a lot of issues we can work together on to make sure that the economy continues to grow. We need to get an energy policy—energy bill; I've put out a policy. I'm looking forward to working with Judd and John Sununu to get a bill out of the United States Senate that enhances conservation, that talks about renewable uses of energy. I am—believe that we ought to expand nuclear power to make us less dependent on foreign sources of energy and, at the same time, do a better job of protecting our environment.

We need to continue to provide money for technologies to make the cars we drive cleaner. One of these days, it would be nice if biodiesel or ethanol becomes even more commercially available, so that when the crops are up, we're less dependent on a source of energy from coming overseas. And so I want to work with the Congress to promote a good energy plan—good energy bill that will enable this President and future Presidents to say that we're less dependent, that we're more self-sufficient when it comes to energy, which will be good for our economy and good for our national security as well.

And now I want to talk about Social Security. And I'm sure there are some, when they heard the State of the Union, if they listened to it, that said, "Why is he spending so much time on what had been—used to be called the 'third rail of American politics'?" That means, if you touched it, you were politically electrocuted. I guess that's what it meant. I've touched it. I touched it in 2000 when I campaigned here and around the country. I touched it in 2004, and I really touched it at the State of the Union, because I believe we have a problem. And I want to talk to you about the problem.

And Tim Penny, my friend, former Democrat Member from Minnesota, is also going to talk about the problem. And I'm going to throw out some ideas about the solution as well, and I want to hear from our panelists here in a minute. Laura said, "Make sure you tell everybody hello when you come, and make sure you give the panelists a chance to speak." [*Laughter*] So far I'm not listening to her too well. [*Laughter*]

So here's the problem. In the olden days, in the 1950s, 16 workers would be paying in the system for every beneficiary. That means that the worker had less of a burden to pay the benefits that were promised. And the system was working great. And by the way, Social Security is vital. It's a really important system.

But things have changed since the 1950s. First, baby boomers, like me and Judd and Penny and a couple others of you out there, are getting ready to retire. There's a lot of us. And instead of living to about 60 years, which was the life expectancy early in the Social Security calculations, we're now living to 77 years, and a bunch of us hope we do better than that. So you got a bunch of people fixing to retire, a bulge of retirees coming into the system, who are going to live longer. Plus, the benefits promised to the baby boomers are 40 percent higher, in real terms, than the seniors retiring today. So just think about that aspect of the environment in which we live, more people, living longer, being promised greater benefits.

The problem is compounded by this: There's not enough people paying money into the system to pay for all that. The ratio of payers to beneficiaries is going from 16 to 1 to 3.3 to 1 today. And when—and down the road it's going to be 2 to 1. So you can see the formula begins to get a little disturbed. It makes it hard to pay the promises. As a matter of fact, in 2018, the system goes into the red.

And by the way, there's not a Social Security trust. In other words, people think your money goes into the trust, and it's held for your account, and then you get it out. That's not the way it works. It's "pay as you go." It goes in, and it goes out. And to the extent that there's money more than the retirees receive, like it is today, it goes to other programs. And so what you've got is an IOU, kind of a bank of IOUs. It's an important concept.

So money that's going in is greater than money going out today for Social Security. But in 2018, the system goes into the red, and every year thereafter the situation gets worse; 2027 will cost the Federal Government $200 billion above and beyond payroll taxes to make the promises; and in 2042, the system goes broke. Those are the facts.

Now, 13 years isn't very far down the road. You know, if you've got a 5-year-old child, it means when your child is getting ready to vote, the system goes negative. It may seem like a lot for some in the United States Congress who have got 2-year terms. But it's not a lot if you're a grandfather who's worried about whether or not your grandchild is going to have a retirement system that works and whether or not we've got the capability of dealing with the problem before it gets even worse, because the longer you wait, the more severe the remedies become.

Now, I want to—I fully understand—you've got to know this about many of us in Congress who are discussing reforms—we understand that many people rely upon their Social Security check. And I know that any discussion about Social Security can frighten people who rely upon their Social Security check. I mean, I remember the campaigns where people would say, "If you vote for George W., you're not going to get your Social Security check." In other words, it's been part of the political dynamic. People would say—even if you discussed it, that would frighten people. And so, not only am I going to spend time traveling our country—this is my ninth trip since the State of the Union—or ninth State—I'm going to continue traveling over and over and over again, making it clear to the American people we have a problem. I'm also going to travel over and over and over again to say to people who have received a check—who are receiving a check and those near retirement, people born before 1950, "Nothing changes." It doesn't matter what the rhetoric might be, no matter what the mailers may say, nothing changes for people who have retired or near retirement, and that's really important.

Now, I have an obligation to talk about solutions as well. And in my State of the Union Address, I may have been the first President ever to have talked about different ideas about how to permanently fix the problem for younger generations of Americans. And Republicans and Democrats have both—have all come forth with different ideas. Tim is an example. He is on the leading edge of the Social Security debate. I mean, he was talking about it way before I was even thinking about running for President. And he's had some interesting ideas, and I mentioned his name in the State of the Union as being the kind of person who had the courage to step up and say, "Here are different options." And it's important to keep the options on the table. And it's important for me to say to the Members of Congress, "If you've got a good idea, bring it forward. There will be no political retribution."

President Clinton thought raising the age might have made sense. Daniel Patrick Moynihan had an idea. Tim Penny had some ideas. And so my message today is: Bring them forth; let's sit down at the table and discuss ways to permanently fix the system. I'm openminded. And I think that's what you want from your President at this point—not for me to prescribe the solution, because I don't get to write the law, but to call Members forward and say, "We'll work with you. We'll look at all the different options, with the exception of the payroll tax increase."

Now, I've got an idea that I'd like for Congress to consider, and I want to share the idea with you here. It's a novel idea—oh, it's really not that novel. As a matter of fact, it's a part of the Federal employee retirement plan. It's a thrift benefit plan. It's a plan that allows Federal employees to set aside some of their money and put it in safe stocks and bonds, so they get a better rate of return on their money than they would otherwise. So it's not new. The idea of allowing people to invest their money, their own money, is not a new thought. That's what's already happening with Federal employees. I'm the kind of fellow who believes if it's good enough for Federal employees, it ought to be considered for younger workers. In other words, there ought to be a—and that's the idea of letting younger workers set aside some of their own payroll taxes in a personal savings account.

The benefits are these, in my judgment: One, you get a better rate of return on your money than that which is in the Social Security system. If you're a younger worker, and say—my proposal is, is that you can put 4 percent of your payroll taxes in the account, and the rest of it, obviously, will go into the Social Security system. If you're a younger worker who averages $35,000 over your lifetime, and you put the money set aside—the 4 percent allowed to be set aside into a personal account, because of the compounding rate of interest, that will accumulate—you'll accumulate $250,000 when it comes time to retire. So you've got money in the Social Security system, however much Congress can afford, plus your own nest egg of $250,000. That's for a worker who earns $35,000 over his or her lifetime.

And the reason why the money grows is because interest compounds. I'm trying to sound like an economist; I was a simple history major. But nevertheless, people—if you keep reinvesting in safe stocks and bonds, money grows. And it's important for younger workers to be able to watch their money grow.

Now, you can't take that money and put it in the lottery, in all due respect to those who like the lottery. In other words, there's going to be some safe guidelines. We've already done this. The Federal employee benefit plan does just that. It says, "Here is a conservative mix of stocks and bonds available for you to get a better rate of return than that which you get with your money flowing through the Social Security system."

It makes sense for younger workers to hold their own account, because when they pass on, they can leave their own assets to whomever they choose. I think that's a wonderful idea.

Certainly the personal account doesn't fix the system. There needs to be better reforms, more meaningful reforms than that. But what the personal account will do, it will make it more likely—it will make it so that a younger worker gets closer to the promises made, because of the compounding rate of interest.

There's going to be a lot of discussion about how to fund these accounts. I look forward to working with Congress. I'm interested; I'm openminded. One of the suggestions we made is the accounts start very slowly, so they become easier to finance, and they grow over time. Senators and Congressmen may have different ideas. I just want the idea of people being able to manage their own money to be a part of the debate. It makes financial sense, and it makes sense to promote ownership in America. I think that when more people own something, the more they'll have a stake in the future of this country.

Now, a couple of other guidelines that you need to know about, and then we'll get to our panel. Laura's voice is beginning to kind of echo in my ears. You can't take all your money when you retire and take a trip. In other words, this is your account, but there's got to be guidelines because the account is set up to help supplement your Social Security check. And so you can't withdraw it. There will be withdraw requirements, for example.

However, if you do pass it on to a survivor, that survivor can liquidate the account and live on it, which oftentimes does not happen in Social Security today. For example, if a person were to die prior to 60 years old, all the money going into the account—and the kids are over a certain age—all the money in the account goes away. I've talked to widows who would like to see at least something left over for all the hard work their husband has done—or vice versa, if the woman is working and the husband is the beneficiary—that there's an account to pass on.

So what I'm telling you is, is that there's ways to make this system conservative, is the right word to use. It's easy to come—develop a mix of stocks and bonds that can beat the rate of return that the money now earns in the—going through the Social Security system and enable a younger worker to have a compounded rate of interest that grows over time. And that's what I want the Congress to discuss and think about.

I understand it's novel and it's different. But when the Members of Congress think about it, it's not all that novel and different. And we're going to talk to some people who are thinking about 401(k)s, what that means. We're developing an investor society.

Let me conclude by this thought: Investors aren't just Wall Street people, as far as I'm concerned. You've got "the investor class"—if you think about that, that means only certain people are capable of investing. I disagree. I think every citizen—every citizen—has got the capacity to manage his or her own money. And if they don't, we'll help them understand how to, and the rules will be such that they can. And I believe the so-called investor class ought to be every American, regardless of his or her background.

So that's what's on my mind, Social Security. And I'm excited about the issue. I like getting out with the people and talking about it, and I told Tim this coming in. He said, "Mr. President, you're going to have to work this issue." I said, "Don't worry about it. Every week, I'm out of Washington, DC, in forums like this." And I'll continue to do it. I'm going to talk to the American people over and over and over again until the Members of Congress recognize we have a problem. And then I'm going to ask them the same question that people have asked me, "If we've got

a problem, what are you going to do about it?" People expect us to lead on this issue. They expect us to put our parties aside and move forward on this issue to solve the problem for the American people, which is exactly what we're going to do.

And here's a guy—he is a man who has put party aside, put his country first. He's served as a United States Congressman from Minnesota, like I told you. And he is our expert on the subject. He's a senior fellow at the Hubert H. Humphrey Institute Policy Forum in Minnesota. Thanks for coming. Give us your thoughts.

Representative Timothy J. Penny. Well, thank you, first of all, Mr. President, for your leadership on this issue, because this is the most important domestic program ever created. It's provided enormous security to senior citizens in America, that they know they have a safety net they can't fall below, and that's important to maintain. But as you've articulated, we need to strengthen this program for the 21st century. It was created 70 years ago, different time, different place, circumstances have changed. We've got new generations coming along, and they rightfully are worried about the future of this program. And we need to give them a voice in how to change this program for the future.

[*At this point, Representative Penny, senior fellow and co-director, Hubert H. Humphrey Institute Policy Forum at the University of Minnesota, Waseca, MN, made further remarks.*]

The President. Yes. Let me just give an example. Today, a retired average-wage earner gets 14,200 a year in benefits. So think about what two workers per beneficiary means. It means that one worker would have to pay $7,000 to support that retiree. So my—sorry, Tim, I'm just trying to quantify the burden.

Representative Penny. That's fine. And it does put it in very real terms, because that's a big chunk of change. I was at a dinner last night with another leader on this issue, retired Congressman Charlie Stenholm, and he said, "Well, I've got it all figured out. Since there's only going to be two workers to support my retirement, I'm picking Tiger Woods and Jessica Simpson." [*Laughter*] But we don't have that luxury.

[*Representative Penny made further remarks.*]

The President. Tim, help me on this. I need for you to, if you feel like it, talk to the seniors who are receiving checks today. I mean, people have got to understand—I know I sound like a broken record, but I've heard people say, "Well, he's talking about Social Security reform. It means seniors aren't going to get their checks or are not going to get their full amount promised." You've looked at this——

Representative Penny. Well, I can talk to this on two levels, one, as a member of your Commission a few years ago. We said that all changes would be phased in over time, so anyone that's currently retired or anyone that's near retirement would be in the traditional system, the current system, no changes whatsoever.

But I can also speak to this from my own life experience. My mother lives on Social Security and nothing else, so she's in that category of people that rely on this current system. And for her there will be no changes. I have two younger brothers who are disabled, and they get disability assistance, and we're going to protect that program for those people that need the program. So that's a separate issue. We're talking about what we need to do for the next generation of workers coming along and how to strengthen and improve this system for them. So they're really separate issues.

The President. Perfect. All right, Frank, Frank Partin and his daughter, Amy. It's a interesting idea, whoever—I want to congratulate the people who picked our panelists, because this is really a generational

issue when you think about it, in many ways—dad/daughter, retired/not retired. [*Laughter*] Frank, what did you do? What did you do here?

Franklin Partin. Thank you, Mr. President.

The President. How did you make a living for a while?

Mr. Partin. How did I make my living, Mr. President?

The President. Yes.

Mr. Partin. I was in the Air Force for many years, and I——

The President. There you go. Thanks for serving. [*Applause*] I appreciate that.

Mr. Partin. I beg your pardon?

The President. I appreciate it, and so do the people out here, obviously.

Mr. Partin. Thank you. We appreciate you, Mr. President.

The President. Well, thank you.

Mr. Partin. My name is Franklin Partin, Jr. My wife and family and I reside in New Boston, New Hampshire. My lovely wife——

The President. Where is she?

Mr. Partin. Right down there in the blue jacket.

The President. You're right. She is lovely. We'll see you afterwards.

Mr. Partin. I'm 69 years old. I've been retired for about 6 years now. And I'm receiving Social Security. It comprises about 40 percent of our retirement income. I'm very thankful for it. But I recognize that there's a serious problem with it, and I appreciate the plan that you have because I think it's something that my daughter, when she gets to be my age and wants to think about it, will have something viable to count on.

The President. So Social Security is important for you—obviously not to the extent that it's important for Tim's mom, but 40 percent of a person's money, what they're living on, is important. And as you discuss this issue with people, Frank, you hear people say, "Yes, it looks like Congress is going to reduce my benefits for retired people." Is that out there still?

Mr. Partin. I've heard things like that, but that's not my experience at all.

The President. It's not what you're thinking. That's good to know. Well, it's not going to happen. And this is important. I'll tell you why it's important, because once the people who get their Social Security checks realize nothing changes, then all of a sudden they're going to start saying, "How about my daughter? What are you going to do about the next generation coming up?" One of the great things about the generation which is retired is they've always worried about the next generation. And that's what we need to be worried about. That's why Frank has agreed to stand here in front of all these cameras, sitting up here with the President, worried about speaking, I'm sure, because he was worried about his daughter. That's why he came—once he's assured that the check, his check, isn't going to change.

And by the way, before I talk to Amy, I do want to say something to the people who are going to be voting on this legislation. Once the seniors realize nothing changes, the voices you'll hear from are the Amys of America who are saying, "Mr. Elected Official, what you going to do about it to make sure I don't get stuck with 200 billion a year, near 300 billion a year deficits over time? Why don't you address the problem now and not wait and pass it on so the next generation coming up has to deal with it?"

So Dad did good, didn't he? Your dad did good?

Amy Partin. Yes, he did.

The President. Yes. All right, Amy, what do you do?

Ms. Partin. My name is Amy Partin. I'm a senior at the University of New Hampshire at Manchester. I'm studying English.

The President. Good, yes. I could use a few lessons. [*Laughter*]

Ms. Partin. I'll see you afterwards. [*Laughter*]

The President. Yes, quick tutorial. [*Laughter*]

Ms. Partin. I am also working as a part-time tutor as I go to school. [*Laughter*]

[*Ms. Partin, student, University of New Hampshire at Manchester, New Boston, NH, made further remarks.*]

The President. Interesting idea, isn't it? Here's a person getting ready to get out of college, and she says she's thinking about how to save her own money. And remember, the payroll tax is not the Government's money; it's your money. And I think the people—there are a lot of young people around America saying, "Why don't you think of a system that will work, that enables us to watch our assets grow." I think there's nothing healthier for a society in which they see an asset base grow.

And by the way, Amy, because she's younger, can find a—amongst conservative portfolios, a little higher return portfolio, and as she gets ready to retire, can shift from stocks and bonds to Treasury bills or whatever may be available at the time, so that it can—it helps to make sure that you deal with market adjustments. But over time, money grows. That's what Tim's committee, I suspect, discovered. They discovered—you might assure people of that.

Representative Penny. Well, we did ask the Social Security actuaries to run numbers on what a modest account for young workers would mean to them over the course of their lifetimes, contributing 4 percent of payroll per year into these accounts. And in every instance, they did markedly better than what the current system is promising them. And bear in mind, the current system is promising them about 30 percent more than it can pay them, because there won't be enough money in the current system to pay them. So with these personal accounts, they come out better, even assuming very conservative growth in their fund over the course of their working lives.

The President. So if she starts early with her own money, which I think you just told me you'd like to do——

Ms. Partin. That's right.

The President. ——it grows. It grows to a substantial amount. If you think about the worker making 35,000 over his or her lifetime, and they set 4 percent of the payroll taxes aside and it turns into 250,000, imagine the person who makes 50,000 over his or her lifetime, or 70,000. In other words, we're talking about the accumulation of significant amounts of wealth to help complement, not replace but complement the Social Security check. And that's important as well for people to understand.

We've got us a dairy farmer with us. That would be you, Bill.

William Yeaton. Yes, welcome to New Hampshire.

The President. Did you ever envision coming off the dairy farm to—lending your wisdom here about Social Security?

Mr. Yeaton. Up at 4 this morning, quick shower, and now we're down here.

The President. That's good. [*Laughter*] Like, when was the last time you wore a tie, just out of curiosity? [*Laughter*]

Mr. Yeaton. It wasn't yesterday. [*Laughter*]

The President. That's good. [*Laughter*] I don't blame you, man. I'm stuck, though. [*Laughter*]

Mr. Yeaton. Well, my name is Bill Yeaton. I'm here with my wife, Cerina.

The President. Where is she? Thanks.

Mr. Yeaton. The girl beside her, Shannon, my daughter, and Samuel, and also my mother, Beulah.

The President. Good, talk to Mom, that's for certain.

Mr. Yeaton. So we're——

The President. Is your mother still giving you instructions?

Mr. Yeaton. I was getting dressed this morning, so I was getting some help. [*Laughter*]

The President. So is mine. [*Laughter*]

Mr. Yeaton. And I was up—[*laughter*]—I was up most of the night, hoping I wouldn't forget their names, so we got that by—we have to keep going.

The President. Yes, that's good. [*Laughter*] So you're a dairy farmer. A little bit about the history of the farm, just out of curiosity.

Mr. Yeaton. The history of the farm, I'm a fourth-generation dairy farmer.

The President. Same farm?

Mr. Yeaton. Same farm.

The President. Fantastic.

[*Mr. Yeaton, co-owner, Yeaton Dairy Farm, Epsom, NH, made further remarks.*]

The President. That's 4 percent of the payroll tax. It's not 4—it's 4 percent out of the payroll tax; that's important. So it's like a third of the payroll tax.

So how is the milk business?

Mr. Yeaton. Last year, we had a pretty good year. The cows are doing well.

The President. It's never good enough, though, if you're a farmer, right?

Mr. Yeaton. I was going to sit up here and say we need more milk——

The President. Wait a minute. [*Laughter*]

Mr. Yeaton. ——the price of milk is too low.

The President. Write your Congressman. [*Laughter*]

Mr. Yeaton. I practiced that speech last night, talking about milk prices, and said, "No, we're not going to use that."

The President. Okay, good, yes, thanks. [*Laughter*] So you and your wife have got a 401(k)?

Mr. Yeaton. Oh, yes, my wife has a 401(k).

The President. She's got the 401(k)?

Mr. Yeaton. Yes.

The President. Everybody know what a 401(k) is? It's a defined contribution plan. You contribute your money into a plan and watch it grow. When I was your age, I don't—let me say when I was younger than your age, there weren't a lot of 401(k)s. I don't remember coming up talking about 401(k)s. And by the way, I never remember, when I was Amy's age, talking about whether Social Security would be around. I mean, baby boomers just assumed it would be around, and it is for us. This is an interesting dialog, isn't it? The dynamics have shifted a lot. Here we've got a dairy farmer talking about how he and his wife manage their own money. That's what you're doing, right?

Mr. Yeaton. Yes. In the old days, they used to say, "Farmers don't retire. We just pass on." But that has changed.

The President. That's good, pretty good. A little agricultural humor there. [*Laughter*] But you're managing your 401(k). Think about what has changed in society. You've got younger folks saying, "We're managing our own money. We're looking after our own money. We're watching the 401(k) grow. We're making decisions." And so the idea of extending what is happening in society to Social Security seems like to make a lot of sense, doesn't it?

This is a society where younger folks are saying, "Just give me a chance to watch my own money grow and, at the same time, go milk those cows." [*Laughter*] Are you still milking them by hand here in New Hampshire?

Mr. Yeaton. Oh, no. We've got a state-of-an-art process.

The President. You're mechanized? That's good. [*Laughter*]

Mr. Yeaton. We had to change our 70-year-old plan too.

The President. There you go. [*Laughter*] Very good.

And finally, Marlo Downer is with us. Thank you for coming, Marlo.

By the way, good job, Bill. For a farmer, you're pretty darn articulate. [*Laughter*]

Marlo, tell us about yourself. Where do you work?

Marlo Downer. I work at Wentworth-Douglass Hospital in Dover.

The President. Dover? Hospital? Very good. Mom?

Ms. Downer. I'm a single mom of a 13-year-old son.

The President. Where is he?

Ms. Downer. Douglas.

The President. Hey, Douglas. Like teenage years?

Ms. Downer. Yes.

The President. Interesting experience.

Ms. Downer. Oh, yes. [*Laughter*]

The President. I've been through them. [*Laughter*] I like to tell people, Marlo has got the hardest job in America, being a single mom. And she's worried about retirement.

[*Ms. Downer, intensive care unit nurse, Wentworth-Douglass Hospital, Dover, NH, made further remarks.*]

The President. And so, let me ask you, in your plan, how often do you get a statement, just out of curiosity? Quarterly?

Ms. Downer. I believe it's quarterly.

The President. Yes. That makes sense, doesn't it? I mean, I think it's kind of a reminder about the need for people to pay attention to policy or know what the Government is doing with your money as you watch—on a quarterly basis, watch your asset base begin to grow. And that's important.

And so, tell us about Social Security. Here's your chance, with everybody watching.

[*Ms. Downer made further remarks.*]

The President. Are you aware of the problem? Obviously, otherwise you wouldn't be sitting here. But I mean, I just wonder how often people—how aware people are that we have a serious problem. That chart—and this chart, by the way, which is reality, just shows how big the deficits are, starting in 2018. I mean, it's like you wait, and then, all of a sudden, you've got to come up with 200 billion in 2027, and like in 2032, you've got to come up with 300 billion, just to stay even for the year.

I mean, are people beginning, around the old nursing station, to start kind of talking about it yet?

Ms. Downer. I really haven't heard it around the nurses station yet.

The President. They're going to, after you get back—[*laughter*]—aren't they?

Ms. Downer. Oh, yes.

The President. By the way, on the Medicare drugs, we're fixing it. We got a new system that we put in place to make sure that the seniors who have trouble affording prescription drugs get help through Medicare. So they don't have to worry about that anymore, starting next year, by the way—next year. And it's going to be a great change.

But back to Social Security. So what Marlo wants to know is whether or not we've got the courage, the political courage, to take this issue on and solve it. That's what she wants to know. And what I want to assure you all is that I like calling Congress to do big things, because that's what we got elected to do. And I'm going to continue pressing this issue and pressing this issue and pressing this issue and—until we get something done.

I want to thank you all for your interest. I want to thank you for your interest. I would tell you, you don't have to worry about your Senators. They're forward-thinking people who understand we've got to address this problem today. They understand that, and I'm looking forward to working with them on it. I'm looking forward to giving them a ride back to Washington. [*Laughter*] I'm looking forward to talking about what they've heard here. I want to thank you for your time. I want to thank our panelists for doing such a fabulous job. I appreciate it.

And in the meantime, may God bless you all. Thanks for coming.

NOTE: The President spoke at 11:50 a.m. in the Pan Am Hangar at Pease International Tradeport Airport. In his remarks, he referred to W. Douglas Scamman, speaker,

New Hampshire House of Representatives; Thomas R. Eaton, president, New Hampshire Senate; Richard M. Flynn, commissioner, New Hampshire Department of Safety; President Hamid Karzai of Afghanistan; and Janet Norwood, mother of Sgt. Byron Norwood, USMC, who was killed in Iraq on November 13, 2004, and Iraqi citizen and political activist Safia Taleb al-Suhail, both of whom were guests of the First Lady at the President's State of the Union Address on February 2. Participant former Representative Timothy J. Penny referred to professional golfer Tiger Woods; and entertainer Jessica Simpson. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Message to the Congress Reporting on the Executive Order on Clarification of Certain Executive Orders Blocking Property and Prohibiting Certain Transactions
February 16, 2005

To the Congress of the United States:

Pursuant to, *inter alia,* section 203(a) of the International Emergency Economic Powers Act, (50 U.S.C. 1702(a)) (IEEPA) and section 201(a) of the National Emergencies Act (50 U.S.C. 1621(a)) (NEA), I exercised my statutory authority to declare national emergencies in Executive Orders 13224 of September 23, 2001, as amended, and 12947 of January 23, 1995, as amended. I have issued a new Executive Order that clarifies certain measures taken to address those national emergencies. This new Executive Order relates to powers conferred to me by section 203(b)(2) of IEEPA and clarifies that the Executive Orders at issue prohibit a blocked United States person from making humanitarian donations.

The amendments made to those Executive Orders by the new Executive Order take effect as of the date of the new order, and specific licenses issued pursuant to the prior Executive Orders continue in effect, unless revoked or amended by the Secretary of the Treasury. General licenses, regulations, orders, and directives issued pursuant to the prior Executive Orders continue in effect, except to the extent inconsistent with this order or otherwise revoked or modified by the Secretary of the Treasury.

GEORGE W. BUSH

The White House,

February 16, 2005.

NOTE: The Executive order is listed in Appendix D at the end of this volume.

The President's News Conference
February 17, 2005

Nomination of John D. Negroponte To Be Director of National Intelligence

The President. Thank you very much. I appreciate you here—coming here. I'm pleased to announce my decision to nominate Ambassador John Negroponte as Director of National Intelligence. The Director's responsibility is straightforward and

demanding. John will make sure that those whose duty it is to defend America have the information we need to make the right decisions. John understands America's global intelligence needs because he spent the better part of his life in our Foreign Service and is now serving with distinction in the sensitive post of our Nation's first Ambassador to a free Iraq.

John's nomination comes at an historic moment for our intelligence services. In the war against terrorists who target innocent civilians and continue to seek weapons of mass murder, intelligence is our first line of defense. If we're going to stop the terrorists before they strike, we must ensure that our intelligence agencies work as a single, unified enterprise. And that's why I supported and Congress passed reform legislation creating the job of Director of National Intelligence.

As DNI, John will lead a unified intelligence community and will serve as the principle adviser to the President on intelligence matters. He will have the authority to order the collection of new intelligence, to ensure the sharing of information among agencies, and to establish common standards for the intelligence community's personnel. It will be John's responsibility to determine the annual budgets for all national intelligence agencies and offices and to direct how these funds are spent. Vesting these authorities in a single official who reports directly to me will make our intelligence efforts better coordinated, more efficient, and more effective.

The Director of the CIA will report to John. The CIA will retain its core of responsibilities for collecting human intelligence, analyzing intelligence from all sources, and supporting American interests abroad at the direction of the President.

The law establishing John's position preserves the existing chain of command and leaves all our intelligence agencies, organizations, and offices in their current departments. Our military commanders will continue to have quick access to the intelligence they need to achieve victory on the battlefield. And the new structure will help ensure greater information sharing among Federal departments and agencies and also with appropriate State and local authorities.

John brings a unique set of skills to these challenges. Over the course of a long career, John Negroponte has served his Nation in eight countries spanning three continents. He's held important leadership posts at both the State Department and the White House. As my representative to the United Nations, John defended our interests vigorously and spoke eloquently about America's intention to spread freedom and peace throughout the world. And his service in Iraq during these past few historic months has given him something that will prove an incalculable advantage for an intelligence chief: an unvarnished and up-close look at a deadly enemy.

Today I'm pleased as well to announce that joining John as his Deputy will be Lieutenant General Michael Hayden. As a career Air Force intelligence officer, General Hayden now serves as Director of the National Security Agency, America's largest intelligence service, and Chief of the Central Security Service. In these critical roles, Mike has already demonstrated an ability to adapt our intelligence services to meet the new threats of a new century.

I appreciate the willingness of these men to take on these tough new assignments in an extraordinary moment in our Nation's history. I'd like to thank the thousands of men and women already serving in our intelligence services. These are people who go to work each day to keep Americans safe. We live in a dangerous world, and oftentimes, they take great risk to their own lives. These men and women are going to be pleased to have leaders such as Ambassador John Negroponte and General Mike Hayden.

John, I want to thank you for being here today. Congratulations. Godspeed.

[*At this point, Ambassador Negroponte made brief remarks.*]

The President. I'll be glad to take some questions. Jennifer [Jennifer Loven, Associated Press].

Syria/Assassination of Rafiq Hariri

Q. Thank you, Mr. President. Can you tell us if you believe that Syria is linked to the assassination of Mr. Hariri? And further, how far are you willing to go to expel Syria from Lebanon and stop its involvement in Iraq?

The President. First, we support the international investigation that is—will be going on to determine the killers of Mr. Hariri. We've recalled our Ambassador, which indicates that the relationship is not moving forward, that Syria is out of step with the progress being made in a greater Middle East, that democracy is on the move, and this is a country that isn't moving with the democratic movement.

And we've talked clearly to Syria about, one, making sure that their territory is not used by former Iraqi Ba'athists to spread havoc and kill innocent lives. We expect them to find and turn over former regime—Saddam regime supporters, send them back to Iraq. We've made it very clear from the beginning of my administration that Syria should not use its territory to support international terrorist groups. We expect them to adhere to 1559—U.N. Security Council Resolution 1559, which calls for the removal of troops from Lebanon. And we expect them to help free and fair elections to take place in Lebanon.

These are very reasonable requests, the requests all aimed at making the world more peaceful. I look forward to working with our European friends on my upcoming trip to talk about how we can work together to convince the Syrians to make rational decisions.

Iran

Q. Thank you, Mr. President. The Europeans want more support from the U.S. in their negotiations with Iran. Would the U.S. consider joining these talks?

The President. Well, first, a couple of points. One, we are a party to the talks or a party to the process, as a result of being a member of the IAEA. In other words, we're on the IAEA board, one of some 30-odd nations. So we've been very much involved with working with the Iranians and the world to achieve a goal that we share with the Europeans, and that is for Iran not to develop a nuclear weapon.

I look forward to, again, on this trip, to discussing strategies, ways forward with the Europeans to make sure we continue to speak with one voice, and that is, Iran should not have a nuclear weapon, and how to work together to make sure they don't.

Wendell [Wendell Goler, FOX News Channel].

Syria/Assassination of Rafiq Hariri

Q. Mr. President, in your answer to Jennifer's question, I heard several reasons for recalling the Ambassador from Syria but not an indication of whether you believe Syria bears some responsibility for the assassination.

The President. I can't tell you that. I don't know yet, because the investigation is ongoing. And so I'm going to withhold judgment until we find out what the facts are. Hopefully, by the time I get overseas, we'll have a clearer understanding of who killed Mr. Hariri, and it will be an opportune time to talk with our friends, to determine what to do about it.

But it's important that this investigation go on in a thoughtful way, and I'm convinced it will. We supported the international——

Q. Would you like it to be an international investigation, sir?

The President. Yes, we support the international investigation.

Yes, John [John Roberts, CBS News].

Iran and Israel

Q. Mr. President, I recall a conversation a small group of us had with a very senior administration official about a year ago, and in that conversation the subject of Iran and Israel came up. And I'm just wondering, what's your level of concern that if Iran does go down the road to building a nuclear weapon, that Israel will attack Iran to try to prevent that from happening?

The President. Well, of course the—well, first of all, Iran has made it clear they don't like Israel, to put it bluntly. And the Israelis are concerned about whether or not Iran develops a nuclear weapon, as are we, as should everybody.

And so the objective is to solve this issue diplomatically, is to work with friends, like we're doing with France, Europe, and—I mean, France, Germany, and Great Britain, to continue making it clear to the Iranians that developing a nuclear weapon will be unacceptable.

But clearly, if I was the leader of Israel and I listened to some of the statements by the Iranian ayatollahs about—that regarded my security of my country, I'd be concerned about Iran having a nuclear weapon as well. And in that Israel is our ally and in that we've made a very strong commitment to support Israel, we will support Israel if—if there's—if their security is threatened.

Q. Do you believe there's a real possibility Israel could attack?

The President. Oh, I—John, I think that there's a—the need for us to work together to convince the Iranians not to develop a nuclear weapon. And we will work with Europeans and the Israelis to develop a strategy and a plan that is effective. And that's one of the reasons I'm going to Europe.

Let's see here. I've got to make sure I go to the TV people. Norah [Norah O'Donnell, NBC News].

Social Security Reform

Q. Mr. President, you've made clear that Social Security reform is your top legislative priority. The top Republican leader in the House has said you cannot jam change down people's throats. And in your interviews with the regional newspapers, you made very clear that you would not rule out raising the cap on payroll taxes. If you were to do that, why would that not be seen as going back on your pledge not to raise taxes?

The President. Well, I—a couple of questions there. One, I agree, you can't cram an issue down people's throats. As a matter of fact, the best way to get this issue addressed in the Halls of Congress is for the American people to say, "Why don't we come together and do something?" And so the first priority of mine is to convince the people we have a problem. And I'm going to do that a lot. As a matter of fact, I enjoy traveling the country, and I hope you do too, because I'm going to be doing a lot of it. I fully understand, Norah, that nothing will happen if the Members of Congress don't believe there's a problem that needs to be solved, and so you'll see a lot of travel.

And the problem is plain to me. You've got baby boomers getting ready to retire. They've been promised greater benefits than the current generation. They're living longer, and there's fewer people paying into the system. And the system goes negative starting in 2018 and continues to do so. There's the problem. Nothing will happen, I repeat, unless the Congress thinks there's a problem.

Once the Congress—once the people say to Congress, "There's a problem. Fix it," then I have a duty to say to Members of Congress, "Bring forth your ideas." And I clarified a variety of ideas that people should be encouraged to bring forth, without political retribution. It used to be, in the past, people would step up and say, "Well, here's an interesting idea," and then

they would take that idea and clobber the person politically.

What I'm saying to Members of Congress is that, "We have a problem. Come together, and let's fix it. And bring your ideas forward, and I'm willing to discuss them with you." And so that's why I said what I said and will continue to say it. And it's not—I've got some ideas of my own. Obviously, I think personal accounts are an important part of the mix and want to continue working with Members of Congress to understand the wisdom of why personal accounts makes sense for the long term, to be a part of a long-term solution for Social Security.

John [John Cochran, ABC News].

Director of National Intelligence/Budget Process for Intelligence

Q. Sir, thank you. Regarding the Director of National Intelligence, in this town power is often measured in a couple of ways, by who controls the money and how close that person is to the President, sometimes physically. So let me ask you about that. You said that Mr. Negroponte will determine the budgets for all intelligence agencies. A lot of people feel the Pentagon is going to fight that, that the Pentagon wants to control its intelligence money. Would you address that? And also, where is Mr. Negroponte going to work? Will he be in the White House complex, close to you? Will he give you your intelligence briefings every day?

The President. I think your assessment is right. People that can control the money, people who have got access to the President generally have a lot of influence. And that's why John Negroponte is going to have a lot of influence. He will set the budgets.

Listen, this is going to take a while to get a new culture in place, a different way of approaching the budget process. That's why I selected John. He's a diplomat. He understands the—and he's an experienced person; he understands the power centers in Washington. He's been a consumer of intelligence in the past, and so he's got a good feel for how to move this process forward in a way that addresses the different interests.

Now, as to where his office is, I don't know. It's not going to be in the White House. Remember the early debate about, should this man be a—or person be a member of the Cabinet. I said no, I didn't think so. I thought it was very important for the DNI to be apart from the White House. Nevertheless, he will have access on a daily basis in that he'll be my primary briefer. In other words, when the intelligence briefings start in the morning, John will be there. And John and I will work to determine how much exposure the CIA will have in the Oval Office. I would hope more rather than less. The relationship between John and the CIA Director is going to be a vital relationship; the relationship between the CIA and the White House is a vital relationship.

John and I both know that change can be unsettling, and so therefore, I'm sure there's some people out there wondering right now what this means for their jobs and the influence of a particular agency into the White House. And the answer is, everybody will be given fair access, and everybody's ideas will be given a chance to make it to John's office. And if he thinks it's appropriate I see it, I'll see it. And if he thinks it's a waste of my time, I won't see it. And obviously—therefore, the conclusion is, I trust his judgment. And I'm looking forward to working with him. It's going to be an interesting opportunity.

Yes, John [John McKinnon, Wall Street Journal].

Q. Will you back him if he goes up against Don Rumsfeld—Rumsfeld wants a certain amount of money for his intelligence budget and Negroponte says, "I don't think so"?

The President. I don't think it necessarily works—I know that's how the press sometimes likes to play discussions inside the

White House—X versus Y and butting of heads and sharp elbows. Generally, it works a little more civilly than that. People make their case; there's a discussion; but ultimately John will make the decisions on the budget.

"Backing" means it's kind of zero-sum. That's not the way our team works. It's not a zero-sum attitude in the White House. It is—people have strong opinions, by the way, around here, which is—I would hope you'd want your President to have people around who have got strong opinions, people who are willing to stand up for what they believe, people who say, "Here's what I think is right, and it may not be what so-and-so thinks is right." Then the question is, do I have the capacity to pick the right answer, to be able to make a decision? I think people have seen that I'm capable of making decisions. And one reason why I feel comfortable making them is because I get good advice. And John is going to be a great adviser.

Suzanne [Suzanne Malveaux, Cable News Network].

U.S. Relations With European Allies/ Environment

Q. A top European Union official said that Dr. Rice's trip, Secretary Rice's trip to Europe was very positive. He described it as "romance blossoms once two are determined to get married." [*Laughter*] He also said that he did not expect that there would be any kind of substantive differences in U.S. policy on your own trip to Europe, but he hoped that it would help increase the sense of trust between the United States and European allies. What do you have to offer or say to European allies to help restore that trust, particularly the trust in U.S. intelligence?

The President. Yes, you know, my first goal is to remind both Americans and Europeans that the transatlantic relationship is very important for our mutual security and for peace, and that we have differences sometimes but we don't differ on values, that we share this great love and respect for freedom.

September the 11th was an interesting phenomenon in terms of our relations. For some in Europe, it was just a passing terrible moment. And for us, it was a change of—it caused us to change our foreign policy—in other words, a permanent part of our foreign policy. And that—those differences, at times, frankly, caused us to talk past each other. And I recognize that, and I want to make sure the Europeans understand I know that and that, as we move beyond the differences of the past, that we can work a lot together to achieve big objectives.

There's also a concern in Europe, I suspect, that the only thing I care about is our national security. And clearly, since we have been attacked—and I fear there's a terrorist group out there thinking about attacking us again or would like to—that national security is at the top of my agenda. That's what you'd expect from the President of the United States. But we also care deeply about hunger and disease, and I look forward to working with the Europeans on hunger and disease.

We care about the climate. Obviously, the Kyoto Protocol had been a problem in the past. They thought the treaty made sense. I didn't, and neither did the United States Senate when it rejected the Kyoto concept, 95 to nothing. And so there's an opportunity now to work together to talk about new technologies that will help us both achieve a common objective, which is a better environment for generations to come.

And the Methanes to Markets project is an interesting opportunity. I spoke to my friend Tony Blair the other day, and I reminded him that here at home, we're spending billions on clean coal technology where we could have—it's conceivable and hopeful we'll have a zero-emissions coal plan, which will be not only good for the United States but it would be good for

the world. This isn't a question on environment, but I was hoping somebody would ask it. I asked myself.

Anyway, let me—so I'm looking forward—[*laughter*]—thank you, Dickerson [John Dickerson, Time]—I'm looking forward to discussing issues that not only relate to our security, that not only relate to how we work together to spread freedom, how we continue to embrace the values we believe in, but also how we deal with hunger and disease and environmental concerns.

Let's see, have I gone through all the TV personalities yet?

Q. Yes. [*Laughter*]

Syria

The President. Herman [Ken Herman, Austin American-Statesman].

Q. Mr. President, good morning.

The President. A face made for radio, I might add.

Q. Thank you. My mother appreciates it. [*Laughter*] You offer a long list of things you expect Syrian leaders to do. What are the consequences if they don't do those things?

The President. The idea is to continue to work with the world to remind Syria it's not in their interest to be isolated.

Mark [Mark Knoller, CBS Radio].

Social Security Reform

Q. Mr. President, if I could go back to Social Security.

The President. Sure.

Q. You spoke about your desire to have a plan that includes private retirement accounts. Chairman Greenspan yesterday, although supportive of those accounts, expressed two concerns, that he was worried about rushing something into print, if you will, and also about the borrowing, the transition costs that would be required, trillions. He was especially worried about the latter. What is your response to that?

The President. Well, I presume the reason he was talking about Social Security at all is because he understands that we've got about $11 trillion of debt owed to future generations of Americans. Therefore, we've got to do something about it now. And the longer we wait, the more difficult the solution becomes.

The—you asked about the transition cost, and what was the other?

Q. And that he wanted to do it slowly.

The President. Oh, slowly. Well, as you might remember in my State of the Union, when I expressed my desire that Congress ought to think about personal accounts, I did say they ought to be phased in.

And so—and that's part of the transition cost issue. And we look forward to working with Congress to come up with ways to make sure that the personal accounts, if Congress so chooses, and I hope they do, can be financed. And that's part of the issue. And that's part of the dialog that is going to be needed once Congress understands we have a problem.

Let me repeat what I said before—and I fully understand this—that this idea is going nowhere if the Congress does not believe there is a problem. Why should somebody take the hard path if they don't believe there's a problem? And so I'm going to spend a lot of time reminding people there is a problem.

Once the people figure out there's a problem—and I think they're beginning to understand that—then the question to ask to those of us who have been elected is, "What are you going to do about it?" And that's an important question. And when people start answering that question, I have said, "Bring your ideas forward." We welcome any idea—except running up the payroll tax rate, which I've been consistent on. And so bring them up. And I look forward to hearing their ideas.

And part of the ideas is going to be to, one, understand the benefits of personal accounts as well as how to pay for the transition costs. We've started that process, Mark, by talking about a phase-in program. And one of the reasons we do is because

we wanted to indicate to the Congress, "We understand there's an issue. We want to work with you on it."

Let's see here—let's see here, John.

Q. Sir, can you talk a little bit——

The President. If you don't raise your hand, does that mean you don't have a question?

Q. Not necessarily, sir.

The President. Okay, good, because you didn't raise your hand.

President's Goals in the Middle East

Q. Could you talk a little bit about how you would like to see the landscape of the Middle East change over the next year? Can you talk about the specific changes you'd like to see across the region?

The President. Yes. You know, a year is a really short period of time when it comes to working on—working with nations to encourage democracy, so there's not a kind of a universal answer. But let me try to answer it this way, because it's not—in other words, you can't apply the same standard for every country as they move toward democracy, I guess is what I'm saying. In other words, there's kind of not a blanket answer.

I'll give you kind of a general thought. I would like to see the following things happen. We make progress on the development of a Palestinian state, so there can be peace with Israel. And notice I put it that way: There needs to be progress for democracy to take—firmly take hold in the Palestinian Territory. It is my belief that that—when that happens, that we've got a very good chance for peace. That's why I said in my State of the Union, it's within reach. What's in reach is to work with leadership that appears committed to fighting terror to develop the institutions necessary for democracy.

That's why the conference Tony Blair has called is an important conference. It's a conference that we'll be working with the world—with countries from around the world to say, "How can we help you develop a democracy?" And so I'd like to see that move forward.

Obviously, I'd like to see the Iraqi Government continue to make the progress it is making toward providing its own security as well as begin the process of writing the constitution. We will continue to work with the international community to make it clear that some of the behavior in the Middle East is unacceptable. The development of a nuclear weapon is unacceptable. Harboring terrorists or providing safe haven for terrorists is unacceptable. And so there's a lot of progress that can be made.

I was pleased to see that Saudi had municipal elections. And I think Crown Prince Abdullah's vision of moving toward reform is coming to be. Every speech I've given on democracy is—I fully recognize that democracy will advance at a pace that may be different from our own expectations and obviously reflect the cultures of the countries in which democracy is moving. But there's progress being made, and so it's kind of hard to have a summary because there's different countries, different places. But if I try to come up with one, I'd like to see more advance toward a free and—free and democratic states.

What's interesting—and surely hasn't crept into your writing or reporting—but for a while there was a period that people said, "It's an impossible mission to have freedom take hold. I mean, what was he doing? How can he possibly think that these people can possibly accept democracy?" I don't know if you remember that period of reporting or not. I vaguely do. And then look what's happening. And that's why I can say, John, that I'd like to see more progress because progress is being made.

Afghanistan elections were a remarkable achievement in the march of history. The elections that John was involved in in Iraq, and was—it must have been fantastic to be there. It was—to think of the millions who defied the terrorists. And you remember the reporting that went on—first of

all, democracy may not be the kind of system that people agree to in Iraq. It's kind of a foreign concept to them, and coupled with the fact there's a lot of terrorists there who are getting ready to blow anybody up who goes and votes. And yet millions—I think it's over 8 million now, I think we've calculated, went to the polls.

And what's interesting to me in Iraq is to see the posturing that's going on, kind of the positioning. It's not exactly like the Social Security debate, but it's posturing. It's politics. People are jockeying for position. And I say it's not like the Social Security debate because their, obviously, democracy isn't as advanced as ours. But nevertheless, there's—people are making moves here and there. And you hear about the conferences and the discussions. To me, that's healthy. It's inspiring to see a fledgling democracy begin to take wing, right here in the 21st century in a part of the world where people didn't think there could be progress. I think there can be progress, and we'll continue to work that progress.

Part of my reason I'm going to Europe is to share my sense of optimism and enthusiasm about what's taking place and remind people that that's—that those values of human rights, human dignity, and freedom are the core of our very being as nations. And it's going to be a great experience to go there.

Let's see, yes, Hillman [G. Robert Hillman, Dallas Morning News].

Q. Yes——

The President. I had to call on Hillman, because—to balance the thing here with the competing Texas newspapers.

Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction

Q. Yes, Mr. President, have you, by any chance, received any sort of interim or preliminary report from the Robb Commission that's investigating intelligence failures? And did you seek the Commission's counsel on the scope of the duties for the new Intelligence Director?

The President. I haven't—that's—no, I have not had an interim report. Maybe the national security people have—or not. Hadley said he hasn't either. We have—our people have gone to talk to the Robb-Silberman Commission when asked. But I've got great confidence in both those leaders to bring forth a very solid report. And so we haven't been involved in the process other than when asked to share opinion.

Q. When might they report back?

The President. Don't know yet. Do we have any idea?

National Security Adviser Stephen J. Hadley. Sometime next month.

The President. Yes, Hadley said, "Try to work me in the press conference," and I did. [*Laughter*] Congratulations. "Sometime next month," he said.

It's an important report. And it's a relevant question today because of the announcement of Ambassador Negroponte. He will take and I will take the findings of the Robb-Silberman Commission very seriously. And I look forward to their conclusions and look forward to working with the leaders and the Commission members to not only deal with the conclusions but to address whatever conclusions they have in concrete action. And I appreciate the work.

But in terms—no, and then I did not consult with either person and/or members as to whether or not—the nature of the pick. I did it independently from the Commission.

Yes, sir. Mark [Mark Silva, Chicago Tribune].

Iran and North Korea

Q. Thank you, Mr. President. If, as you say, the development of nuclear weapons is unacceptable and if the administration's concern for weapons of mass destruction in Iraq, which proved out to be unfounded, drove an invasion to seek regime change,

how concerned should Americans and, for that matter, the world be that the true identification of weapons in Iran or North Korea might not lead to the same sort of attack?

The President. Well, first, Iran is different from Iraq—very different. The international community was convinced that Saddam Hussein had weapons of mass destruction—not just the United States but the international community—and had passed some 16 resolutions. In other words, diplomacy had—they tried diplomacy over and over and over and over again. John was at the United Nations during this period. And finally, the world, in 1441—U.N. Resolution 1441—said, "Disclose, disarm, or face serious consequences." This was not a declaration by the United States of America; it was a declaration by the United Nations Security Council—and a 15-to-nothing vote, as I recall. And we took that resolution very seriously.

As you know, the Iranian issue hasn't even gone up to the Security Council yet. And so there's more diplomacy, in my judgment, to be done. And we'll work very closely with our European friends and other nations. As I mentioned before, we're an active member of the IAEA board, which will give us an opportunity to continue to say to the Iranians, "You've got to be transparent with your program and adhere to protocols that you have signed."

Remember, this all started when they—we found them enriching uranium in an undeclared fashion. And it happened because somebody told on them. There was an Iranian group that brought forth the information, and it was clear that they were enriching. And yet they hadn't told anybody, which leads you to wonder why they hadn't told anybody. And so you can understand our suspicions.

And we'll work with nations. And in terms of Korea—North Korea, again, it's not Iraq. It's a different situation. But I'm—I remember being with Jiang Zemin in Crawford, and as a result of that meeting, we issued a joint declaration that said that the Korean Peninsula should be nuclear-weapons-free. Since then I've—that policy has been confirmed by President Hu Jintao. And the other day the leader of North Korea declared they had a nuclear weapon, which obviously means that if he is—if he's correct, that the peninsula is not nuclear-weapons-free. So now is the time for us to work with friends and allies who have agreed to be a part of the process to determine what we're jointly going to do about it. And that's where we are in the process right now.

Thank you all very much for your attention and questions. Appreciate it.

NOTE: The President spoke at 10 a.m. in Room 450 of the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to former Prime Minister Rafiq Hariri of Lebanon, who was assassinated on February 14 in Beirut; former President Saddam Hussein of Iraq; Prime Minister Tony Blair of the United Kingdom; Crown Prince Abdullah of Saudi Arabia; former President Jiang Zemin and President Hu Jintao of China; and Chairman Kim Chong-il of North Korea. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Statement on House of Representatives Passage of the Class-Action Lawsuit Reform Legislation
February 17, 2005

I commend the House for passing a class-action reform bill that will help protect people who are wrongfully harmed while reducing the frivolous lawsuits that clog our courts, hurt the economy, cost jobs, and burden American businesses. Junk lawsuits have helped drive the cost of America's tort system to more than $240 billion a year, greater than any other major industrialized nation. This bill is an important step forward in our efforts to reform the litigation system and to continue creating jobs and growing our economy. I look forward to signing the bill into law.

Statement on the Resignation of N. Gregory Mankiw as Chairman of the Council of Economic Advisers
February 17, 2005

Greg Mankiw has been a trusted member of my economic team and a close adviser. His wise and principled counsel over the past 2 years has helped shape policies that today are fueling our economic growth. I am grateful to Greg for his service to our country, and I wish him, Deborah, and the Mankiw family all the best.

Interview With European Print Journalists
February 18, 2005

The President. Let me give a couple of opening comments, and we'll do a couple rounds of questions.

First, I'm—you know, I said in my press conference yesterday, for a period of time, we have a tendency in Europe and in America to talk past each other. In other words, September the 11th for some was obviously an important moment, but it passed. For us, it changed our way of thinking. It changed our foreign policy. It caused me, as the President, and people in my administration to have an intense focus on securing our country. And I say "talk past" because when you have a different view about priority, it creates a—it's missed opportunity, is the best way to put it.

So my trip to Europe, with that in mind, is to seize the moment and invigorate a relationship that is a vital relationship for our own security as well as a vital relationship for long-term peace in the world. We compete at times, but we don't compete when it comes to values, and that's a very important part of my message, is that we share a belief in human rights and human dignity and rule of law and transparency of government and democracy and freedom. And those are vital values necessary to not only secure our own countries but necessary to do our duty, which is to work together to help people live in freedom. If freedom is good enough for us, why isn't it good enough for others?

So I'm looking forward to it. It's a full schedule, and I'm going to, obviously, start in Belgium and see the Belgium leaders

as well as give a speech that I think will set the tone for the trip—and in the speech, by the way, talk about a variety of areas where we can work together, talk about the greater Middle East, Middle Eastern peace and Iraq and Iran, talk about the need for us to work together to feed the hungry and take care of the diseased. I'll talk about the environment. I'll talk about a variety of different areas where we can cooperate to make the world a better place.

And then, of course, NATO—in my view, NATO is a vital relationship. It's an essential relationship for peace and security. It's an important relationship for the United States and Canada, for this part of the world to work with European partners to come up with ways to secure the peace.

I'm looking forward to meeting with the EU and then off to Germany and then the Slovak Republic. And I'm excited about the trip, looking forward to it.

Andrei [Andrei K. Sitov, Rossiskaya Gazeta/ITAR–TASS], you want to—Philippe [Philippe Gelie, Le Figaro], however you want to do it. Who's the oldest person? Philippe, you start, and we'll go this way.

Q. Okay.

The President. Andrei, I'll give you a chance to collect your thoughts. I know you're nervous. [*Laughter*]

Q. I am. I don't hide it. [*Laughter*]

The President. No, you're not; you're never nervous. If you are nervous, don't let them know it, particularly the wire services behind you.

Q. I'll try.

France-U.S. Relations

Q. Well, since President Chirac comes almost first on the program, Mr. President, do you think nice words of reconciliation will be—what would it take to really overcome the bitterness and the mutual reproach of the last few years?

The President. Obviously, nice words are nice, but deeds are more important than words. I, personally, don't feel bitter. You can say "the bitter"—or whatever you phrase it—you used the phrase "bitter"——

Q. Bitterness and recrimination.

The President. Bitterness and recrimination. I don't feel bitter, personally. And so it's easy to have a conversation with somebody to overcome bitterness if you don't feel bitter.

Secondly, I fully understand that the world kind of watches French-U.S. relationships and draws conclusions from that and says, "Well, if the United States and France don't get along," and therefore, there's great splits. I'm regretful about that because I don't view the United States as being split from Europe. I know we had a difference of opinion. And it was a big difference of opinion on Iraq.

But now is the time for us to set aside that difference and to move forward in areas where we can work together. Interesting enough, during this period of time, we worked together in Haiti and in Afghanistan. And now we have a great opportunity to advance democracy in the greater Middle East, in Lebanon. This is an area of mutual concern. I can remember when I was in Paris, President Chirac brought up the idea of a Security Council resolution to say to the Syrians, "Get your troops out of Lebanon." And in 1559, that became a reality, a resolution sponsored by France and the United States.

My point is, is that we can work together and will work together. So the deeds that I think the world will see is France and the United States making common cause for democracy and freedom. The words will be nice, and I'm now confident that the deeds will be easy for people to see and will, more importantly, make a significant contribution to peace and freedom. France is a great country, and a lot of people in our country, obviously, were concerned about the French decision about Iraq. They

felt our security was threatened. Nevertheless, they still have great—there's great affection for the French culture, the French countryside, and the French people.

Alec [Alec Russell, Daily Telegraph].

European Union

Q. Mr. President, one of the striking moments of your trip is your visit to the European Commission. As you know, sir, for many in Europe, many in the EU who are keen to see the EU become something of a counterbalance to America and—powers. As the leader of the Nation that sets much store by its Constitution—unlike, I should add, my nation, which doesn't have a constitution——

The President. Thank you, Alec. [*Laughter*]

Q. ——I wonder what your view is of the proposed EU constitution?

The President. You know, look, we want the EU to be successful. The European Union is a significant partner in many things, particularly trade. It is a—I think it's a great opportunity for the United States and for the people of Europe—the people of the United States and the people of Europe to benefit from mutually beneficial trade relationships. And the trade is fairly balanced, if I recall. It's like a trillion a year, both sides. So therefore, the more that the EU is able to affect commerce and trade and the movement of money and goods and labor across borders to help it become an effective—a more effective commercial trading partner, the more it benefits America.

I remind people a lot that it took us a while to get our democracy going. An interesting book, for example, is—read the book on Alexander Hamilton by Chernow. I'll think you find it interesting. It goes to show how hard it was to get a federalist system in place that was balanced and fair.

I'm not drawing an exact parallel, obviously, between what's going on between European states and trying to come up with an overarching system that is fair and, at the same time, honor the integrity and sovereignty of the countries involved. But it is a hard task. And every time I meet with the European leaders, I ask them how it's going, because I'm fascinated by the political integration and is it possible. But I'm also wise enough not to comment about the European constitution since I don't have anything to do about it. It's kind of a long answer to say, "No, I'm not going to comment." [*Laughter*]

I've always been fascinated to see how the British culture and the French culture and the sovereignty of the nations, longstanding traditional sovereignty, can be integrated into a larger whole in a modern era. And progress is being made, and I'm hopeful it works, because I think it's—if you say, we are united by alliance, by values in our alliance, therefore one should not fear a strong partner. One should welcome a strong partner, because the values are long lasting and will endure.

Klaus [Klaus-Dieter Frankenberger, Frankfurter Allgemein Zeitung].

Q. Mr. President, first, thank you very much for having us this morning.

The President. Thanks for coming.

Germany-U.S. Relations

Q. After a stretch in the German-America relationship some people called "poisoned," you are going to visit the city of Mainz. The city of Mainz was used by your father 16 years ago as a venue to promote Germany as a partner in leadership. This seems ages ago.

The President. Yes, it does. [*Laughter*]

Q. What do you hope to gain from this visit? What are your expectations in Germany? And how do you see this relationship? This has become somewhat complicated——

The President. Well, again, very much like our relations with the French. Much of the world views relations through the prism of the Iraq decision, overlooking areas of cooperation. You know, we spent—again, with France and, of course, Great

Britain and Germany, we've spent a lot of time sharing some intelligence and some recent arrests by German authorities of Al Qaida operatives, for example. That tends to get overlooked. The French have got a great security network. The Brits are obviously very good about cooperating all together, in order to deal with the movement of terrorists and money and finance.

The PRTs, the German PRTs in Afghanistan are a significant contribution to the advancement of democracy there. And by the way, which wasn't an easy decision by some because there was—in some quarters, there was an attitude that, you know, Afghan couldn't be free. You know, "These are backward people." You know, "Democracy isn't meant for them. Deep in their souls there's not this great longing for freedom, and therefore, let's not be very hopeful about what happened."

And sure enough, millions showed up, but Germany was there ahead of time. I mean, Germany was—there was a great, sort of, faith that everybody wants to be free. And the reason I bring that up, that is an important understanding when it comes to taking on the big goals of establishing peace through the advancement of liberty.

Again, very much like the relations that are viewed to be, you know, not perfect—this will be an opportunity to send a message that I'm giving you now that there's much more that unites us than divides us. And we want good relations. Listen, German-American relations are long standing and very important, and like any relationship, there is ups and downs. My attitude is, is that now is the opportunity to tackle common issues.

Iran is a common issue. And it should be interesting to the world to see that the three nations that are directly involved with the Iranians—sending the Iranians the universal message that "we will not have a nuclear weapon," is France, Great Britain, and Germany. And the United States is very pleased to be a party with you, in encouraging you to carry that message. It shows we've got faith in our friends, and we share a common value and the common goal. And the goal is two things: One, state-sponsored terror must end if there's going to be peace; and secondly, to make sure that the Iranians do not have a nuclear weapon.

But there are areas I'm looking forward to talking about. I mentioned Lebanon and Syria, of course Iran, and the issue that tends to really focus Europe in that part of the world is the Arab-Israeli—I mean, the Palestinian-Israeli potential peace. And I must address that head-on. I've talked about it to Gerhard. He's very interested in the subject. Jacques Chirac, of course, is very interested. Tony Blair is very interested.

This subject always comes up when I talk to these leaders. They recognize the United States has a role to play, and I recognize Europe has a role to play. And the first significant role that Europe will be playing, beyond just helping—working to keep the process going, is the March 1st London conference, which is an opportunity for the Palestinians to hear from the world that we—that there will be help for you to build a democratic—the institutions necessary for a democratic state to emerge.

My own judgment is there will never be longstanding peace until the Palestinians become a democracy. And I look forward to working with the European leaders to see that be the case. And it's happening. Things are happening. In my State of the Union Address—and I'll remind this in my speech in Belgium, that peace is within reach, I said. It's within reach, and I believe that. I wouldn't have said it if it didn't believe it. And if you believe it's within reach, it will provide opportunity for all of us to focus on how to get there.

And Abbas has shown some courage. In order to achieve peace, you have to show courage, and he has. And Israel is working hard to keep the process going. The Palestinian elections, which I viewed as a vital

moment for Abbas—nothing like being endorsed by the people to kind of reinvigorate the soul. The Israelis helped to have these—the Israelis helped ensure the elections were as open as possible, and that was a vital contribution.

Anyway, I'm kind of rambling here. But the point is, there's a lot we can discuss. We can discuss hunger. We can discuss poverty. We can discuss disease. We can discuss all kinds of issues, and the march of freedom as well. And there's a lot of common ground that we can work together on, and that's what this visit is intended to say to the world.

Matus [Matus Kostolny, SME].

President's Upcoming Visit to Slovakia/ Meeting With Russian President Putin

Q. Why did you choose Bratislava as the last stop of your trip? Why did you choose to meet President Putin there?

The President. Yes, good question. First, I told your Prime Minister that—I can't remember how it worked—we were in the Oval Office. Either he said, "When are you coming?" Or I said, "When are you going to invite me?" [*Laughter*] I can't remember exactly. However it plays best for him, put it in your newspaper that way. [*Laughter*]

We have had a—I suspect it is because he said, "When are you coming?" And I think it's very important to go to the Slovak Republic to say to the people, "Congratulations for doing the hard work of democracy and freedom." And I'm going to meet with freedom fighters, heroes of democracy. It's also important to—and so, one, I'm going because I like your leadership. Two, I'm going because I like your story. And three, I'm going because I want others to see what's possible, to see a country emerge and grow and become confident and strong. And President Putin is coming there because he said he wanted to meet me in Europe. And I said, "If the Government is willing to let us both meet there, it's the perfect place to meet."

And so I'm looking forward to it. I want to thank the Government and the people for not only hosting me and my wife but also hosting what will be an important meeting with the Government and eventually—and ultimately, meeting with Vladimir Putin there. I'm looking forward to it. I'm sorry it's not a little warmer, because the Prime Minister keeps continually urging me to run with him. He's a great runner. I'm injured, however. I'd ride my mountain bike with him.

Yes, sir. Andrei. Have you had your nerves calmed down by now?

Q. Thank you, sir. They've come back and left a few times.

The President. Okay, good.

Q. As you just said, you will be meeting President Putin for the 12th time now. You know him pretty well.

The President. How many?

Q. Twelve times. That was the Russian side calculation. [*Laughter*] I don't know if figures computes.

The President. Yes, it feels like 12, for him. That's right. [*Laughter*]

Q. Anyway, you know each other pretty well by now——

The President. Yes, I do.

Q. But at the same time, you are in the second terms, both of you. So for you, this meeting, this coming meeting, when you look at it, do you regard it as sort of a followup on what's been going on up until now? Or is it an opportunity to maybe make it a fresh start for the second term?

The President. I view it as a, on a personal level, a followup. We don't need a fresh start for a personal relationship. I'll take your word for it; we've met 12 times. And then it will be 13 in May, by the way. And during those previous—this will be the 12th meeting, so the 11 meetings prior to this, we've gotten to know each other. And I think that is an important part of developing relationships. It's a way to have a relationship—it's a way of putting a relationship in a position where you can be frank with somebody. If you disagree

with him, you tell him you disagree with him.

And I think that's a vital part of my relationship with Vladimir. There is still some distrust between the countries but not at the leadership level. In other words, I think he feels there are some people in our Government that are anti-Soviet, that have an anti-Soviet bias, and therefore, hold it against Russia. And I think there are some in our Government who feels like that—that there's a—the information he gets is not as accurate about American views. And so therefore, it's very important to have a personal relationship to be able to help our Governments better understand each other.

Vladimir has made some decisions that I look forward to hearing, in a very private way—you know, why he made the decisions he made. One of the interesting things about leadership is that you get to make decisions. As a matter of fact, the most—people say, "What is your job description?" My job description is, make decisions. And I make a lot of them. And therefore, it's an interesting opportunity, Andrei, to talk to a fellow decisionmaker about why you make decisions, what is the rationale; "Tell me why you do this or that or the other." And I look forward to that aspect of it.

We've got a strategic framework in place that is set. I think it's—that is at all levels of Government, through the energy ministries and the proliferation ministries—and Hadley has been in charge of that, by the way. And so now that he's got a new position, perhaps it would be an opportunity for him to reinvigorate the strategic dialog. And so to a certain extent, there's a chance to kind of renew a commitment to this strategic dialog.

And I'm looking forward to it, looking forward to coming to St. Petersburg—or to Moscow, I guess it is, Moscow—in May, right?

Q. Right.

The President. Sixtieth anniversary for the end of the Russian theater in World War II. That's going to be good.

One more round. Philippe, and then I've got to see the television people.

Iran

Q. Mr. President, you said you appreciate the efforts of Great Britain, Germany, France and trying to engage Iran. Why don't you join them in those cause?

The President. Well, first of all, we're joined in the process. We're on the IAEA board. We have made it clear that we agree with the objective to get rid of the weapons. The Iranians don't need—they don't need any excuses. They just need to do what the free world has asked them to do. And it's pretty clear: Give up your weapons program. And we look forward to working with our friends.

And I find this to be an excuse. You know, "We can't move because X, Y, and Z is not happening." They know what they need to do. They have been told point blank by very effective interlocutors, privately as well as public statements by our Government and your governments, "Get rid of your nuclear weapons."

And remember how this happened. This all started because there was a group not happy with the Iranian Government—of Iranian citizens—a group of Iranian citizens who weren't happy with the Government, who blew the whistle on enrichment and told the IAEA. And sure enough, upon investigation, they were enriching, and yet they didn't tell anybody. And so we've all got to ask why. Why would you want to secretly enrich uranium? And that's what started the IAEA investigations and the need for an additional protocol, et cetera, et cetera.

And so the Iranians, I read the other day where they said, "We can't go forward unless this, that, or the other—unless the United States is involved." They know what they need to do. That's why I appreciate the leadership of France, Great Britain, and

Germany. They've been very clear about what Iran needs to do.

Alec.

Q. Mr. President——

The President. Back to the constitution?

President's Second-Term Goals

Q. No, no, no, we'll leave that one aside. [*Laughter*]

In the wake of you reelection last November, one of the big questions that everyone in the rest of the world was asking was, "How will a second term of President George W. Bush be different from the first one, if at all?" And one of the comments that your new Secretary of State made recently caused a lot of attention when she said, "The time for diplomacy is now," and she also talked about the need for conversations. And I just wonder if you could say, sir, how you feel your second term—how you feel you may be different in your second term from your first term? And is it the case that the famous, dare I say it, sort of straight-talking Texan President is going to be less straight-talking now? [*Laughter*]

The President. You know, I told the American people that in a second term, I would work with friends and allies to spread freedom and peace. I believe that. I believe that every soul desires to be free. And by spreading freedom, the world is more peaceful. That's what the lesson of Europe has been. That's what the lesson of the Middle East can be.

And so we will work together. And I will be straightforward. I don't see how you can deal with people if you're not straightforward. I mean, if you're—I worry about a leader who doesn't know what he or she believes and, therefore, is willing to kind of have everybody guess. I don't believe that's good leadership. I believe it's vital to tell people, "Here's what I believe, and how can we work together?" I think clarity is an important part of being able to achieve big goals.

But I also fully recognize that the hard work done in the past 4 years will allow us to more likely advance freedom in a peaceful way. It's what we all want. But we can't do it alone. And that's going to be the message in Europe, that I fully recognize that.

And in most cases, we have worked closely together. And the other thing is—back to the question about multipolarity. I think that was Klaus's question, which I really didn't address head-on, which I think I need to do—which is, some have said, "Well, we must have a unified Europe to balance America." Why do you need—why—when, in fact, we share values and goals. We share the same goals, prosperity for our people, respect for human rights and dignity, and peace. And therefore, as opposed to counterbalancing each other, why don't we view this as a moment where we can move forward in a concerted fashion to achieve those goals. And so perhaps in a second term, I've got to do a better job of explaining the common goals and the fact that by working together, we are more likely to achieve them for our own—for our own security, for example.

I view this war on terror—and, again, I repeat to you, I fully understand there's going to be a different magnitude of concern, and I can understand why. But I hope there's a common understanding that we're facing an ideology that is real and hateful. There's vision, no matter how dark that vision may be, that must be confronted by people and countries who don't share that vision. Because if not, if we don't confront that ideology of hate, we'll leave behind a troubled world for children and grandchildren. And now is the time to take it on.

And so part of the dialog with our friends who share the same values is to come to a common understanding that this is a movement we face and, sure enough, it's going to strike. I mean, these people are—they hit, and they hit hard. But they do it for a reason, because they're trying to

cause fear in the West, retreat in the Middle East. They'd like to have—safe haven is just a—is a mild form of their strategy. They like the parasitical relationship like they had with the Taliban in Afghanistan. They've become—the host has become so infected that they can have run of a country. There's aspirations of toppling governments in the Middle East.

In other words, these are big problems that, if not faced now, will become acute for generations to come. And I think this is an area of common ground and importance to work together.

Klaus.

North Atlantic Treaty Organization

Q. Mr. President, you are going to meet the NATO leaders on Thursday——

The President. Yes, Klaus. I think I know where you might be going. [*Laughter*]

Q. Chancellor Schroeder wrote the other day that NATO was no longer an adequate mechanism for consulting, coordinating the vision of his members. Do you——

The President. Is that what he said, "adequate"? I'm not—is that—make sure you get his words right.

Q. Adequate. It is right—it is "adequate."

The President. I disagree. I think NATO is vital. And I think it's a vital relationship and one that we'll work to keep strong. I look forward to talking to him about exactly what he meant by that. But NATO is a very important relationship, as far as the United States is concerned. And it's one that has worked in the past and will work in the future, just so long as there's that strong commitment to NATO.

I'm not sure what "adequate"—make sure you got the German translation right in English.

Q. Yes, the word was "adequate."

The President. Okay, Klaus, I'll take your word for it. My roommate in college, by the way, was named Dieter.

Q. Does the transatlantic relationship may, indeed, need some sort of institutional overhaul?

The President. I'm not sure what that means, by that. I mean, it depends on what institutions you're talking about. If you're talking about a NATO becoming more cost effective, the ability to match threat to capability, yes, reform within NATO. And that is what the NATO leadership is now in the process of doing.

But "institutional overhaul," that's kind of a loaded word, Klaus. And I'm not castigating; I'm just trying to—I mean, it is—I don't know exactly what that means, "institutional overhaul." Does it mean diminishing the effect of, replacing with? Again, I think NATO is a vital, necessary, important part of keeping the peace.

Matus.

Q. I would have one more Slovak question.

The President. That's what you're supposed to do.

Q. Yes.

The President. Okay.

Slovakia/Democracy

Q. Your Secretary of State, Condoleezza Rice, studied the history of Czechoslovakia. What did she tell you about Slovakia? What do you know from her about our country?

The President. You know, she just left the Oval Office, and she was saying to me that—bring some warm clothes. [*Laughter*] She also told me that I am going to be very impressed by the spirit of the people, the sense of enthusiasm for living in a free society, and will understand and get a clearer vision about how difficult it is to go from a nondemocratic to democracy. It's hard work, really hard work. We tend to take it for granted. The Slovak Republic and Russia are finding it to be hard work. And the Iraqis will find it to be hard work.

But if you look back at our own history—and this is really important to remember; I think I may say this in Belgium as well—our own march to democracy was a little

rough at times. Our respective revolutions, Philippe, were a little checkered. No, but the French Revolution, the American Revolution—with all due respect, Alec, sorry to bring up the subject—[*laughter*]—but these were difficult adjustments. And Condi reminded me that in the Slovak Republic we'll be witnessing—I will be in a country that is—where the world is witnessing the emergence of a true democracy.

And it's an important lesson for people, important lesson for people. Lebanon must have free and fair elections. That's a place where the French and I—Jacques and I tend to—will want to talk about. But elections are one thing, but allowing for a society to develop with minority rights and respect for culture and respect for differences of opinion is hard to do. And yet the Slovak Republic is doing that.

All right, final question. Andrei.

Q. Thank you, sir——

The President. I'm nervous about what your question is going to be.

Russia-U.S. Relations

Q. I must admit that some of your Russian visitors today were complaining about the chilly wind here in Washington. [*Laughter*]

The President. I'm right with them, man, believe me. I'm a warm-weather guy. [*Laughter*]

Q. I wanted to ask you, sir, about your agenda for a second term and your relations with Russia. How well are we doing on the checklist that you and President Putin agreed on at Camp David? Specifically, you mentioned the energy dialog. It seemed to be, like, stopped for the past year. What can we do to reinvigorate that?

The President. Well, one of the things that Vladimir and I can do is talk about our commitment to reinvigorate it. I think, actually, the conversations seem to be going pretty good. Of course, the elections tend to disrupt things. People were wondering whether or not I was even going to be there. I know you knew I was going to be there, Andrei, but others might have not been so confident. And the campaign can disrupt dialog. And so now is a chance to—back to your initial question—there is kind of a reinvigoration that will take place because Vladimir knows I'll be there for 4 years, as will he.

But one of the things we'll discuss is the checklist, the strategic dialog, the integration of the different components. Look, I mean, energy is—the dialog is, "You got a lot of it, and we don't have much." [*Laughter*] And there's ways to—but Russia has to make her mind up as to whether or not she wants to continue to attract outside capital, which is really what the energy dialog is about.

The proliferation dialog is important, and I look forward to discussing that with Vladimir and continuing to make progress to make sure that there's a safe storage of nuclear materials and clear understanding of how we can work together.

Trade is a very important dialog. I'm going to say in my speech in Belgium, I want to work with Russia so that she becomes admitted to the WTO. I know that's on Vladimir's mind, and it's something I think is an objective we all ought to work to achieve. There are certain criterion that have to be met, and Zoellick, who is now the Deputy Secretary of State or will be soon—confirmed but not sworn in—actually spent some time working with one of his counterparts there to figure out the way forward on the WTO.

So there's a variety of kind of the different points that I look forward to talking to Vladimir about. Iran is going to be a subject I'll spend time with him on. And he's got influence in that area, on that subject, and he agrees with our friends in Europe that the Iranians should not have a nuclear weapon. And that's the common goal. And we've just got to keep sight of that goal and keep them focused on that goal—keep the Iranians focused on the goal. And that's a very important part about achieving success and not let them try to

divide the United States or Europe or Russia and Europe or Russia and the United States on the subject. There needs to be—and I said this the other day—I said, "We've got to go speak with a common voice." And that's important for the ayatollahs to hear, a common voice, in order to achieve the objective we all want.

I'm looking forward to it.

Q. Sir——

The President. Yes. Andrei, is this a followup?

Q. Yes, a followup, a very brief followup. You mentioned May and Moscow——

The President. Yes.

World War II Memorial

Q. Only a year ago, you dedicated the national memorial here in Washington to veterans. Does it mean they had not been recognized before? Your father was a veteran in that war.

The President. Oh, no, no, they've all been recognized. I mean, listen, Americans love—there have been books; the "Greatest Generation," they were called. And this is a generation of Americans that are completely revered and loved. And I hope there's the same sense of veneration and love in Russia toward guys my dad's age.

Q. There sure is.

The President. But no, you should not—that's an interesting point you make. Just because it took a while to get the site, the money raised, the architecture done, does not—should not reflect the great appreciation that our Nation has for those who fought in World War II.

Okay, guys, thank you.

NOTE: The interview began at 9:45 a.m. in the Roosevelt Room at the White House, and the transcript was embargoed for release by the Office of the Press Secretary until 11:59 p.m. In his remarks, the President referred to President Jacques Chirac of France; Chancellor Gerhard Schroeder of Germany; Prime Minister Tony Blair of the United Kingdom; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; and Prime Minister Mikulas Dzurinda of Slovakia. He also referred to Provincial Reconstruction Teams (PRTs), a component of NATO's International Security Assistance Force operating in Afghanistan. A tape was not available for verification of the content of this interview.

Interview With TV3-France
February 18, 2005

France-U.S. Relations

Q. Mr. President, thank you very much to welcome Francois. You and President Chirac want to improve your relationship after bitter divisions on Iraq. How do you plan, yourself, to take concrete steps with France, with the allies, and restore credible cooperation on the hardest issues, like Middle East for instance?

The President. Sure. No, I think that's a great question because inherent in your question is the understanding that there—we share a lot of values. Both our nations value human rights and human dignity and rule of law and transparency. And we value our friendship from years gone by. And I look forward to working with President Chirac. We've have our differences, and now is the time to set those aside and focus on peace in the Middle East. I'll work with the French on—to help the Lebanese have a free and fair election and a burgeoning democracy. And I'll work with the French to continue to help with the Middle Eastern pace process. There's a lot of areas where we need to work together. And we need to continue to work together on HIV/AIDS in Africa and hunger around the

world. And I'm looking forward to the meeting.

Syria

Q. You and President Chirac keep telling the Syrians that they have to withdraw immediately their troops.

The President. Yes.

Q. What will you do if they refuse——

The President. Well, that's——

Q. ——in the coming weeks?

The President. That's a—my attitude is, is that when we speak together and convince others to speak with us, that the Syrians will get the message. And I'm a hopeful person. I'm hopeful that the President of Syria will hear the world speak. And the French have got a lot of influence in Syria, and we've got some influence as well. And the fact that we're talking together should send a clear signal to President Asad that we're very serious about this.

Iran

Q. Let's come to Iran——

The President. Sure.

Q. ——which is backing terrorism and all that. If Iran refuses to stop its nuclear program, or the kind of same question, what will you do, Mr. President, with the allies or whatever?

The President. Well, I think the key is there for the Iraqis [Iranians] * to hear Europe and the United States speak with one voice. And I appreciate President Chirac and his Government and as well as the Germans and the Brits working together to say to the Iranians, "We don't want you to have a weapon." In other words, we—the—we share a goal, and that is for the Iranians not to develop a nuclear weapon. And we want to work with our friends to not only speak with one voice, clearly with one voice, but also to help others realize—like Russia realize. And I think President Putin understands that the Iranians shouldn't have weapon. I'm convinced, again, if the Iranians hear us loud and clear, without any wavering, that they will make the rational decision.

Q. But do you trust the Iranians, this regime?

The President. Well, it's hard to trust a regime that doesn't trust their own people. And so part of our belief is that the Iranians ought to listen to the reformers in their country, those who believe in democracy and then—and give them a say in government. After all, the French model and the U.S. model believes in—people ought to be able to express themselves in a free society.

Q. Two quick last questions, Mr. President.

The President. Sure.

Iraq

Q. Iraq is having explosions, terrorist attacks every day. Do you fear about not having a national reconciliation? There might be a civil war. Do you fear also that the Shiite leaders might decide to build up the sort of theocracy like in Iran?

The President. Yes. No, of course, I'm heartened by the fact that the leadership of the Shi'a election parties, the political parties that took their message to the people, campaigned on the notion of minority rights and a unified country. There are still terrorists there. But the terrorists suffered a major defeat when over 8 million people went to the polls and said, "You will not intimidate us. You can't stop us from expressing our desire." I'm very optimistic and very encouraged about a free Iraq becoming a stable partner in peace, an ally in the war on terror, and a clear example to others in the greater Middle East that freedom is possible.

Palestinian Authority/Israel

Q. Last question, Mr. President. Near East, don't you fear that if sooner than later, Mahmoud Abbas and Ariel Sharon don't reach a global peace agreement based on land for peace, that all this bunch of

* White House correction.

Islamic group terrorists, Hamas, Jihad, Hizballah, might try to get rid of Mahmoud Abbas and get in total war with Israel?

The President. No, that's a concern, of course. And I'm impressed by President Abbas' leadership. We want to support him as he moves forward to develop a Palestinian state based upon democratic institutions. And I think we're making great progress. The good news is, is that Europe and Russia and the United Nations, the United States all understands that we've got to make progress to head off these terrorists so that they don't—so they can't capture the imaginations of the Palestinian people anymore. In other words, terrorism is not the path to peace and security and freedom and hope, and that's democracy. And we're making great progress.

And I look forward to talking to President Chirac about the progress we're making and remind him, as well as the people of France, that we'll stay engaged. The United States of America sees a settlement within reach, like I said in my State of the Union, and therefore, if you can see it in reach, it means all the more reason to stay fully engaged in the peace process.

Q. I wish you all the very best, Mr. President.

The President. Thank you, sir. Looking forward to it. Thank you, sir.

NOTE: The interview was taped at 10:34 a.m. in the Map Room at the White House for later broadcast. In his remarks, the President referred to President Jacques Chirac of France; President Bashar al-Asad of Syria; President Vladimir Putin of Russia; and President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority. The interviewer referred to Prime Minister Ariel Sharon of Israel. A tape was not available for verification of the content of this interview.

Interview With VRT Belgian Public Broadcasting
February 18, 2005

Europe-U.S. Relations

Q. Mr. President, it's your first international trip in your second term. Does it mean that transatlantic relations are a top priority now for you? And how are you going to restore the European confidence in the American politics?

The President. Yes. No, the transatlantic relations have always been a top priority, because of all the nations in the world, we share common values—America is more likely to share common values of peace and freedom and human rights and human dignity. And we've had our differences, obviously. But that's okay. The key is to move past differences and to focus on how we can leave behind a legacy of peace and freedom for our children and grandchildren.

And so I'm looking forward to it. I want to thank the Belgian Government and the Belgian people for hosting the meetings, the NATO meetings and the EU meetings. And Laura and I are anxious to come. It's—we've got very fond memories of our first trip to Belgium. This is a chance to reconfirm a vital relationship and to say there's so much we can do, whether it be in the Middle East or joining together to fight disease and poverty and terror. There's a lot we can do.

Iraq

Q. Iraq is a big issue, of course. During your trip, Belgium—NATO joined in for the training program. Belgium, well, they only are contributing financially. Are you going to insist on more support from a country as Belgium and from Europe?

The President. No, not from—listen, the Government of Belgium makes the decision that they're comfortable with. And all I can ask is—say, "Thanks for considering it. Thank you for the financial contribution, and if you're comfortable supporting the training missions with troops, fine. If not, you're still our friend."

Q. Yes, especially after the opposition—the Belgian opposition against Iraqi war.

The President. Absolutely. I mean, I understand that. No, we can't—I don't believe we should ask people to do things that their people don't want them to do. And in democracies, the Government reflects the desires of the people. That's why I'm such a big believer in democracy.

Now, having said that, the vote of the Iraqi people should say loud and clear that democracy is on the move, and we've got to work together. And that's what I'm going to talk to NATO, to make sure they continue the training missions, as well as the EU that helped with the elections, as well as figuring out ways that we can work together to help this new fledgling democracy grow. Because it's in our interest—it's in the Belgian interest and the U.S. interest that democracy take hold in the Middle East.

Iran

Q. Working together will be your big message over in Europe, but there is also Iran. Now that Syria pledged support for Iran, how far will you support the European diplomatic efforts to solve that issue? And can you exclude American military action?

The President. Well, listen, first of all, you never want a President to say "never." But military action is certainly not—it's never the President's first choice. Diplomacy is always the President's first—at least my first choice.

And we've got a common goal, and that is that Iran—Iran should not have a nuclear weapon. That's what we have said—America has said. That's what the Brits have said, the French have said, the Germans have said, when they send their Foreign Ministers in to talk to the Iranians. In other words, there's a common mission.

And I look forward to kind of making sure we continue to speak with one voice. The—and it's in our interest they not have a nuclear weapon. And so we want to support the European efforts, and I applaud the European efforts to continue to send a clear message to the Iranians. And we want to be—we want to—we will consult, like we have been, to make sure that we fully understand where we stand to achieve that goal. And I think we—listen, I think if we continue to speak with one voice and not let them split us up and keep the pressure on them, we can achieve the objective.

Central Africa

Q. Mr. President, freedom through democracy is the centerpiece of your politics. The Belgian Government feels that they're doing the same in Central Africa and Congo. How important is the election process over there, since Darfur and AIDS seem to be more of a priority for your administration?

The President. Well, no, I appreciate that very much. First of all, I want to applaud the Belgian Government's understanding that you can achieve peace through freedom and democracy. I mean, it's very important that a country that has benefiting from democracy, like Belgium, not ever abandon that for others.

Secondly, we have been helpful in the Congo. My former Secretary of State, Colin Powell, and I have discussed this issue a lot. Condi Rice is very concerned about not only the Congo but other countries on the continent of Africa. And we will work with our friends to not only fight HIV/AIDS—and obviously, that Darfur—we've got to be very careful about Darfur and work together to solve that problem. But as well, it's to support our friends like the Belgian Government in Congo and will.

And all they've got to do is ask. And I'm the kind of person, if we can't help you, I'll say, "We can't help you." But if we can help you, we will. Interesting enough, there's a wonderful movie called "Hotel Rwanda," by the way. And the Belgian citizen who ran the hotel came to visit me yesterday in the Oval Office. He's a spectacular guy. I said, "You're a hero." And he said, "No, I'm not a hero." I said, "Well, you are to a lot of people," for being such a humanitarian and drawing—you know, to helping draw the world's attention to what it means to go through a genocide. And free nations must work together to prevent genocide.

President's Upcoming Visit to Brussels

Q. Can the Belgian Government read a positive gesture in your first visit to Brussels now?

The President. Oh, they already have. Listen, I'm absolutely convinced that the—His Majesty—my visit with His Majesty and Her Majesty will be great, and the Prime Minister, who I've known for a long time, will be good. I'm looking forward to this. I really am. It's—I remember going to the chocolate shop and—which was not diplomacy, it was pure commercialism on my part. But it was kind of a sweet reminder of our trip there, and I'm just confident that the trip will be equally as good this time.

Q. Thank you so much, Mr. President, for these kind words.

The President. Good luck to you.

NOTE: The interview was taped at 10:41 a.m. in the Map Room at the White House for later broadcast. In his remarks, the President referred to Paul Rusesabagina, whose actions to shelter refugees during the 1994 Rwanda genocide were depicted in the film "Hotel Rwanda"; and King Albert II, Queen Paola, and Prime Minister Guy Verhofstadt of Belgium. A tape was not available for verification of the content of this interview.

Interview With ARD-German Television
February 18, 2005

Agenda for the President's Upcoming Visit to Europe

Q. Mr. President, your visit to Europe is an important gesture. Now what many people wonder is, beyond the style, what substance you're going to add to the—invigorating the transatlantic relationship? Schroeder has just proposed a NATO reform, to have a forum to discuss policy. What do you think about things like that?

The President. Well, I—look, I mean, first of all, I think NATO is vital, and I look forward to reminding him that the U.S. position is that NATO is a vital institution, and that—but so is the EU. And we look forward to working with the EU.

In terms of—and I think it's a legitimate question for people to say, "Look, it's fine to have nice words, but it's—what can we do together? What can we do together to make the world a better place?" We can continue to fight disease and hunger, which we will. The United States is actively involved on the continent of Africa on HIV/AIDS and wants to work with our European friends through the Global Fund to do so. We can work on trade matters, a benefit to the citizens of the U.S. and to Europe that there be active trade. And equally importantly, we can work to spread freedom and peace.

And so I'm going to talk about Middle Eastern peace, my vision about two states living side by side in peace, Israel and Palestine. I'm going to talk about Iran. I'll talk about Syria. I'll talk about Lebanon.

I mean, there's a lot of things—concrete things—that we need to be working on so that we can say when it's all said and done, the world is more peaceful for our children.

Iran and Syria

Q. You mentioned Iran and Syria, two real hot spots, two conflicts in the making. Now, 70 percent of all Germans are convinced, according to a latest poll, that you are already planning a military action against Iran. Now, what do you say to disperse these fears? You know that Blair, Schroeder, and Bush would like you to play a more active role in the diplomatic——

The President. No, I know—listen, we're playing—look, first of all, I hear all these rumors about military attacks, and it's just not the truth. We want diplomacy to work. And I believe diplomacy can work so long as the Iranians don't divide Europe and the United States. And the common goal is for them not to have a nuclear weapon. It's in the interests of the German people and the American people and all people for the Iranians not to develop that nuclear weapon.

And so I want to applaud and will applaud Gerhard and the other leaders for sending a clear message to Iran. The Iranians need to know—they know what they need to do. And so what they're trying to do is kind of wiggle out. They're trying to say, "Well, we won't do anything, because America is not involved." But America is involved. We're in close consultation with our friends. We're on the board of the IAEA. And we will continue to work with friends and allies to make it clear.

The other thing Iran's got to do—two other things they've got to do, is stop exporting terror through Hizballah, which could be a devastating blow to the peace process between Israel and the Palestinian people, and they ought to open up their country to more democracy and freedom, just like we do in the United States and Germany, give their people a chance to express themselves in a free way.

Q. Now, some people are reminded, when you say you have no plans for military actions, they're reminded of the pre-Iraq crisis, when you said, "No war plans on my desk," and then one month later, there was. What's different this time?

The President. Well, it's totally different. The Iraqi situation was one where many good people tried diplomacy to solve the problem. Remember, the whole world thought the man had weapons of mass destruction. The United Nations thought he had weapons of mass destruction. And that's why—one of the reasons why they passed 16 resolutions. I mean, this was an issue where diplomacy had been exhausted.

And I went to the United Nations and said, "Let's, one more time, hold the man to account." And the United Nations said, "Disclose, disarm, or face serious consequences." That's what the world body said. The United Nations Security Council voted 15 to nothing for that resolution.

The Iranian issue hasn't even been to the United Nations yet. In other words, there's a lot more diplomacy to be done. And the people of Germany have just got—I know the rumors, and I've heard all the gossip and the false stories about this, that—the people have got to know that we will try diplomacy for all means.

Iraq

Q. Are you happy with the way things are going in Iraq? They just had elections, but they seemed to not support the moderate Allawi but more the Shiites. And in that situation, what are you going to ask the Germans to do on top of what they're already doing in the training?

The President. Well, you know, look, I think Gerhard is comfortable in the training mission. But I'm going to wait for him to tell me if he's interested in participating. If so, the German Government would be welcome. Germany is really good at certain things, like we're good at things. And Germany is good at training and ministerial—developing ministries and humanitarian aid

and the PRT in Afghanistan, for example, is a great German contribution. And what friends do is they say, "Are you comfortable? If you're interested in helping this fledgling democracy get to be a more mature democracy, where's your comfort level?" And so I'm looking forward to talking to him about that.

You mentioned the Shi'as. Allawi is a Shi'a himself. My attitude is this: A Government that has been voted on by the people is going to be, by its very nature, a reasonable Government. In other words, it's a—governments tend to reflect the will of the people, and the people of Iraq want to live in peace. The mothers and dads want to raise their children in a peaceful environment.

I am heartened by the political posturing going on. I think it is healthy to see the different factions of Government begin to emerge, all of whom are saying—this is an important point—all of whom are saying, "There needs to be a unified Iraq, respect for minority rights." And there's a nationalist feeling there. I mean, some are saying, "Are you worried about Iranian influence?" Well, if the Iranian Government tries to destabilize an elected government, I am. But to the extent that the Iraqi people love Iraq before they love Iran, I take comfort. And Iraq is a proud nation, and they care deeply about their national heritage and tradition and future.

Germany and the U.N. Security Council

Q. One word about Germany's aspirations for a permanent seat in the Security Council?

The President. Yes, right. [*Laughter*]

Q. You knew I'd ask that.

The President. No, you should ask it. And Gerhard—I'm very aware of that. And we'll look forward to working—look, I haven't taken a position on reform yet. And I want to see how this—the different models of reform come forward. But Germany is a great nation, and Germany is—Europe is vital for the future of the United States, and Germany is vital for the future of Europe. And I'm open for suggestions.

Q. Thank you very much.

The President. Thanks for coming.

Q. We should do this every month.

The President. I'd like to.

NOTE: The interview was taped at 10:48 a.m. in the Map Room at the White House for later broadcast. In his remarks, the President referred to Chancellor Gerhard Schroeder of Germany; former President Saddam Hussein of Iraq; and Prime Minister Ayad Allawi of the Iraqi Interim Government. He also referred to Provincial Reconstruction Teams (PRTs), a component of NATO's International Security Assistance Force operating in Afghanistan. The interviewer referred to Prime Minister Tony Blair of the United Kingdom. A tape was not available for verification of the content of this interview.

Interview With Slovak State Television
February 18, 2005

President's Upcoming Visit to the Slovak Republic

Q. Mr. President, I assume that your trip to Europe, after your reelection, was very well tailored, and we can imagine why you go to Brussels and to Germany. But there are lots of—lots of speculation about why you decided to go to Bratislava. So what was behind this decision? And what will be your message for Slovaks and people in our region?

The President. Thanks. I've been trying to think about when this thought got in

my mind. I think—I have to credit your Prime Minister, who, in the Oval Office, said, "You need to come to our country." And I thought about it, and I think I told Condi Rice then, when she was my National Security Adviser, before I named her Secretary of State, that would be a great idea.

I'd like to come, and I'm thankful for the invitation, because I want to say to the world, "Freedom is a beautiful thing, and here is a country that is working hard to promote democracy." The spirit of your Prime Minister, talking about overcoming the difficulties to become a free society, is—was just wonderful.

I've always felt like countries like the Slovak Republic are very important for the world to know more about, and—because, as you know, I'm a big believer in liberty, and this is a country which is succeeding. And it's not—there's bumps in the road. It's difficult, but it's successful.

So I'm looking forward to coming. It's going to be one of the highlights of the trip; it really is.

Iraq/Europe-U.S. Relations

Q. You have, obviously, a very good relationship with Slovak Government and the other governments of so-called new Europe. But the public does not always necessarily agree with our Government and with American policy. And you, many time, stress that you want to have a very good relationship with the whole Europe. So what is your strategy to improve the relationship with the nations, with the citizens?

The President. That's a good point. Well, first of all, nobody likes war. And basically what you're referring to is my decision to go into Iraq. And I can understand why citizens, particularly if they didn't feel threatened by Saddam Hussein, would say, "We don't like war, and we don't agree with what George Bush decided." And I know that.

But now they've got to see what's happening in Iraq. Eight million people voted in the face of terror. I mean, there's a free country. And so what's going to be very important for me is to connect that free country emerging with peace for their children and grandchildren. In other words, there has to be a connection in order for people to say, "Well, now I understand what, you know, what the policy means." It's a—and so one of the reasons—that's what I'll speak about not only—I mean, in Europe, it's very important to make that connection.

It's—ours is a—mine is a mission and a trip that says, "We share values, human rights and human dignity and rule of law and minority rights and respect for women." And therefore, it's those values that should unite our voices when it comes to spreading those values in parts of the world that are troubled parts of the world, Iran or Syria or, as you saw recently, in Lebanon. I'm convinced that as democracy—and particularly, Israel and the Palestinian Territories—as democracy takes hold there, the people of the Slovak Republic will see, "Gosh, I'm beginning to understand what President Bush was trying to do."

U.S. Visa Policy

Q. United States and you, personally, helped to fulfill the vision of free, democratic, and united Europe. But there is something missing from this picture, and people feel that they're treated like second-class Europeans because of visa.

The President. Oh. [*Laughter*]

Q. And I'm sure you will hear about the visa very often, not only in Slovakia but also in European Union.

The President. Sure.

Q. I know your Government has many other priorities, maybe much, much bigger priorities. But can I count on your leadership, Mr. President, on this issue?

The President. No, I've heard about the visa issue.

Q. No?

The President. No, I have—yes. I mean, yes, I've heard about the visa issue. In other words, what I was saying, "No, this is not a minor issue." This is an issue that our friends have brought up quite frequently. And we're trying to work it through. There's an old policy in place that needs to be renewed and reviewed, given the new realities of the Slovak Republic or Poland or the Czech Republic or wherever. And so I've told Condi Rice, "Let's just make sure our visa policy is fair and balanced."

Q. So we can count on your help?

The President. I'm not sure you can count on the results, but you can count on my interest.

Russia

Q. Mr. President, you are going to meet President Putin in Bratislava.

The President. Yes.

Q. And in Washington, many people are concerned about corrosion of democracy in Russia. And you, in a summit in Chile, you also raised the issue of Russia's curb on democracy. So how much you are concerned about this issue of Russia?

The President. Well, I have a good relationship with President Putin. And the reason—and that's important, because that then will give me a chance to say in private—ask him why he's been making some of the decisions he's been making. I mean, he's done some things that has concerned people. And I—it's going to be—I want him to be able to have a chance to say he's done it for this reason or done that, so I can explain to him as best I can—in a friendly way, of course—that Western values are—you know, are based upon transparency and rule of law, the right for the people to express themselves, checks and balances in government. In other words, not one part of the government is so powerful they can overwhelm all the rest of the government. And I'm looking forward to doing that right there in your beautiful country.

Listen, I think this is going to be my 12th meeting with President Putin. It's an important relationship that we'll continue to nurture and work.

Iraq/Europe-U.S. Relations

Q. You mentioned the war in Iraq and relationship. What is your personal lesson how this war in Iraq changed relationship between United States and Europe and built relation with Eastern Europe?

The President. Yes, I appreciate that very much. First of all, war is a terrible thing. And a lot of Europe supported the decision to enforce the United Nations resolutions. Remember, this wasn't a U.S.—you know, this came about as a result of the United Nations passing 1441, which said—and by the way, the 16th resolution to Mr. Saddam Hussein that said, "Disarm, disclose, or face serious consequences." He chose not to do either, so he faced serious consequences. And a lot of Europe supported the decision to go and have him face serious consequences because the international body, the United Nations, needed to be credible when it spoke.

But people need to see why the actions and why a free Iraq will make them safer. In other words, there has to be a connection. And the Eastern Europeans were great friends on this subject, and it's interesting. They understand what it means to live under tyranny. They know what it means to have secret police. And they began to smell that great freedom that comes, and then all of a sudden, democracies began to emerge. And what a fantastic example for the world, and Europe benefits with countries like the Slovak Republic a part of NATO or the European Union. I mean, these are very important lessons for people to see, that you cannot take freedom for granted, and freedom is hard, and democracy is hard work.

But it is inspiring to see what's taking place in the Slovak Republic. My message to the Slovak people is, "Thank you for doing what you're doing. Thank you for

your courage. And freedom is a beautiful thing, and you're showing it right here."

Q. Thank you very much, Mr. President.

The President. God bless. Thank you.

NOTE: The interview was taped at 10:57 a.m. in the Map Room at the White House for later broadcast. In his remarks, the President referred to Prime Minister Mikulas Dzurinda of Slovakia; former President Saddam Hussein of Iraq; and President Vladimir Putin of Russia. A tape was not available for verification of the content of this interview.

Interview With Russian ITAR–TASS
February 18, 2005

Russia-U.S. Relations

Q. Thank you very much, Mr. President, for this, again, unique opportunity to talk with you.

The President. Thank you, sir.

Q. You first time met with President Putin in Slovenia, and now in Slovakia is going to be—[*laughter*]—your 12th meeting. What kind—do you think we need now? Do we need a fresh start? And what do you expect for this meeting?

The President. You know, it's interesting. First of all, we don't need a fresh start in my personal relationship with Vladimir Putin. We're friends, and that's important. It's important so that we can—he and I can have good talks, and we can understand each other and understand the decision-making process.

Vladimir makes a lot of decisions. And I make a lot of decisions. And I like to talk about—him about, "Well, why did you do this?" or "Why did you do that?" And I suspect he likes to ask me the same questions.

Secondly, we've got the framework for a good strategic relationship, which is important. I think this relationship can be invigorated. The campaign came, and in American public life, I mean—whether it be foreign policy or domestic policy, often you kind of shut down when the campaign comes. People weren't really sure who was going to be the next President for a while. It turned out to be me, thankfully. But—and so this is a chance to reinvigorate. I wouldn't say fresh—fresh start is okay. I'd call it reinvigorate. We've got the framework, and it gives us a chance to move it forward. There's a lot we need to do, a lot we need to work together on.

60th Anniversary of V–E Day

Q. V-Day in Moscow—in May——

The President. Yes.

Q. ——60 years ago, World War II was ended. Your father was a pilot, was a hero of Second War.

The President. Yes.

Q. What—the best—the people who can—to those who won the war. What can you say to the patriots? You are invited to Moscow for the——

The President. I'm coming. Oh, yes, I want to make sure everybody understands I'm coming. My answer is, is that, thank you for your sacrifice. The Russian veterans—the people of Russia went through an unbelievable period of time of sacrifice. The stories of courage and bravery against the onslaught of the Nazis was really fantastic. I mean, it was a great lesson for bravery.

And same in our country—they call it the "Greatest Generation"; that's what they call the World War II people because they sacrificed. And it still—this world still requires sacrifice in different ways. But there's still needed sacrifice to make sure there's peace. And I'm looking forward to the celebrations.

Q. The wartime alliance, do you have lessons for us now? We have again the common enemy.

The President. Yes. No, we do. And that's another thing Vladimir and I will talk about. He sees clearly the common enemy. He's a—and he knows you got to be tough to—and resolute and strong. And we will talk about that common enemy that is still active. The enemy—there's a set of beliefs they believe in, and I believe the best way to defeat those beliefs is by spreading freedom and democracy. Free societies don't like to fight. Free societies spend more time listening to their people and the demands of their people as opposed to being able to fight and spread—in this case fighting an ideology that is an ideology of hatred as this—as your good country full—fully understands.

Russia-U.S. Relations

Q. American-Russian relationship—what was the biggest success during your first term? And what are your plans for next 4 years?

The President. I appreciate that. Look, I think the biggest success would be twofold: one, an understanding of the war—the world we live in and the war on terror. Now, the enemy hit us, and they hit Russia. They hit us in a gruesome way, and they hit Russia in a gruesome way—Beslan, these movie theaters. I mean, there are all kinds of terrible events that have taken place. And so there's a common understanding that we need to work together on the war on terror. And that's important.

The other thing was the Moscow Treaty. We kind of recognized that an era has gone by, that we're reducing our nuclear stockpiles. And that's important too.

Ahead, there's a lot of things we can do. We can work on proliferation. We can work on—on disease and hunger. We can work on Iran to make sure the Iranians don't have a nuclear weapon. We continue to work on Korea. We continue to work for Middle Eastern peace. And the roadmap is an opportunity for the United States and Russia to cooperate to convince Israel and the Palestinians to do what's necessary to achieve peace. And so there's a lot we can do. And I'm looking forward to seeing my friend Vladimir Putin.

Q. Thank you very much.

The President. Yes, sir.

Q. Thank you very much.

The President. Thanks for coming.

NOTE: The interview was taped at 11:06 a.m. in the Map Room at the White House for later broadcast. In his remarks, the President referred to President Vladimir Putin of Russia. A tape was not available for verification of the content of this interview.

Remarks on Signing the Class Action Fairness Act of 2005
February 18, 2005

Thank you all. Thanks for coming. Please be seated. Thank you for coming. Thanks for the warm welcome. Welcome to the people's house. Glad you're here for the first bill signing ceremony of 2005.

The bill I'm about to sign is a model of effective, bipartisan legislation. By working together over several years, we have agreed on a practical way to begin restoring common sense and balance to America's legal system. The Class Action Fairness Act of 2005 marks a critical step toward ending the lawsuit culture in our country. The bill will ease the needless burden of litigation on every American worker, business, and family. By beginning the important work of legal reform, we are meeting our duty

to solve problems now and not to pass them on to future generations.

I appreciate so very much the leadership that Senator Frist and Senator McConnell have shown on this bill in the United States Senate. I want to thank Senator Chris Dodd and Senator Tom Carper and Senator Craig Thomas as well for working in a bipartisan fashion to get this good bill to my desk.

I appreciate Congressman Jim Sensenbrenner as well as Congressman Lamar Smith joining us today. I particularly want to pay tribute to the bill sponsors, Senator Grassley and Senator Kohl as well as Congressman Bob Goodlatte and Congressman Rick Boucher, who are with us here today.

Congress showed what is possible when we set aside partisan differences and focus on what's doing right for Congress, and you all are to be—I mean, for the country—and you're to be credited for your good work. Thank you very much.

I welcome our new Attorney General—oh, right there. [*Laughter*] How quickly they forget in Washington. [*Laughter*] Al Gonzales—proud you're up here, Al. Hector Barreto of the SBA. Thank you, all the business leaders, community leaders, consumer groups who care about this issue. Thanks for your hard work. Thanks for being patient. Thanks for not becoming discouraged. And thanks for witnessing the fruits of your labor as I sign this bill.

Class actions can serve a valuable purpose in our legal system. They allow numerous victims of the same wrongdoing to merge their claims into a single lawsuit. When used properly, class actions make the legal system more efficient and help guarantee that injured people receive proper compensation. That is an important principle of justice. So the bill I sign today maintains every victim's right to seek justice and ensures that wrongdoers are held to account.

Class actions can also be manipulated for personal gain. Lawyers who represent plaintiffs from multiple States can shop around for the State court where they expect to win the most money. A few weeks ago, I visited Madison County, Illinois, where juries have earned a reputation for awarding large verdicts. The number of class actions filed in Madison County has gone from 2 in 1998 to 82 in 2004—even though the vast majority of the defendants named in those suits are not from Madison County. Trial lawyers have already filed 24 class actions in Madison County this year—we're in February—[*laughter*]—including 20 in the past week, after Congress made it clear their chance to exploit the class-action system would soon be gone.

Before today, trial lawyers were able to drag defendants from all over the country into sympathetic local courts, even if those businesses have done nothing wrong. Many businesses decided it was cheaper to settle the lawsuits rather than risk a massive jury award. In many cases, lawyers went home with huge payouts, while the plaintiffs ended up with coupons worth only a few dollars. By the time the settlement in at least one case was finished, plaintiffs actually owed their lawyers money.

A newspaper editorial called the class-action system "an extortion racket that only Congress can fix." This bill helps fix the system. Congress has done its duty, and I'm proud to sign it into law.

Over the past few years, I've met people from all over the country who know the importance of class-action reform firsthand, and three of them are with us today. Marylou Rigat lives in Connecticut, yet a class action involving her faulty roof was resolved by a judge in Alabama. The award covered only a fraction of the cost of new shingles, but that wasn't Marylou's biggest problem. She had no idea she was part of the class action in the first place, and no one contacted her about her award. She only learned by accident when she called the company about her warranty. And then she found out there was nothing more she could do.

Hilda Bankston is with us. And her late husband used to own a drugstore in Fayette, Mississippi. Their business was doing well until the store got swept up in massive litigation just because it dispensed prescription drugs for a certain drug—prescriptions for a certain drug. She had to sell the pharmacy 6 years ago. But she's still getting dragged into court again and again. Here's what she said: "My husband and I lived the American Dream until we were caught up in what has become an American nightmare."

Alita Ditkowsky is with us. She was part of a class action against a company that made faulty televisions. When the case was settled in Madison County, Illinois, Alita's lawyer took home a big check while she got a $50 rebate on another TV built by the same company that had ruined the first TV. [*Laughter*] Here's what she said: "I'm still left with a broken TV." [*Laughter*] "He got $22 million. Where's the justice in this?"

I want to thank you all for letting me use your stories, not only here but during different events we've had in highlighting the need for class-action reform, because this act will help ensure justice by making two essential reforms. First, it moves most large, interstate class actions into Federal courts. This will prevent trial lawyers from shopping around for friendly local venues. The bill will keep out-of-State businesses, workers, and shareholders from being dragged before unfriendly local juries or forced into unfair settlements. And that's good for our system, and it's good for our economy.

Second, the bill provides new safeguards to ensure that plaintiffs in class-action lawsuits are treated fairly. The bill requires judges to consider the real monetary value of coupons and discounts, so that victims can count on true compensation for their injuries. It demands settlements and rulings to be explained in plain English so that class members understand their full rights.

These are needed reforms. It's an important piece of legislation. It shows we're making important progress toward a better legal system.

There's more to do. Small-business owners across America fear that one junk lawsuit could force them to close their doors for good. Medical liability lawsuits are driving up the cost for doctors and patients and entrepreneurs around the country. Asbestos litigation alone has led to the bankruptcy of dozens of companies and cost tens of thousands of jobs, even though many asbestos claims are filed on behalf of people who aren't actually sick.

Overall, junk lawsuits have driven the total cost of America's tort system to more than $240 billion a year, greater than any other major industrialized nation. It creates a needless disadvantage for America's workers and businesses in a global economy, imposes unfair costs on job creators, and raises prices to consumers.

We have a responsibility to confront frivolous litigation head on. I will continue working with Congress to pass meaningful legal reforms, starting with reform in our asbestos and medical liability systems.

Once again, I want to thank you all for the hard work on this important legislation. Class-action reform will help keep America the best place in the world to do business. It will help ensure justice for our citizens, and I'm confident that this bill will be the first of many bipartisan achievements in the year 2005.

And now it is my honor to sign the Class-Action Fairness law.

NOTE: The President spoke at 11:37 a.m. in the East Room at the White House. S. 5, approved February 18, was assigned Public Law No. 109–2.

Letter to Congressional Leaders on Continuation of the National Emergency Relating to Cuba and the Emergency Authority Relating to the Regulation of the Anchorage and Movement of Vessels
February 18, 2005

Dear Mr. Speaker: (Dear Mr. President:)

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the Federal Register for publication, which states that the emergency declared with respect to the Government of Cuba's destruction of two unarmed U.S.-registered civilian aircraft in international airspace north of Cuba on February 24, 1996, as amended and expanded on February 26, 2004, is to continue in effect beyond March 1, 2005.

Sincerely,

GEORGE W. BUSH

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. An original was not available for verification of the content of this letter. The notice is listed in Appendix D at the end of this volume.

The President's Radio Address
February 19, 2005

Good morning. Tomorrow I leave on a trip to Europe, where I will reaffirm the importance of our transatlantic relationship with our European friends and allies.

Over the last several weeks, the world has witnessed momentous events, Palestinians voting for an end to violence, Ukrainians standing up for their democratic rights, Iraqis going to the polls in free elections. And in Europe, I will talk with leaders at NATO and the European Union about how we can work together to take advantage of the historic opportunities now before us.

Leaders on both sides of the Atlantic understand that the hopes for peace in the world depend on the continued unity of free nations. We do not accept a false caricature that divides the Western world between an idealistic United States and a cynical Europe. America and Europe are the pillars of the free world. We share the same belief in freedom and the rights of every individual, and we are working together across the globe to advance our common interest and common values.

In Iraq, our shared commitment to free elections has stripped the car bombers and assassins of their most powerful weapon, their claim to represent the wishes and aspirations of the Iraqi people. In these elections, the European Union provided vital technical assistance. NATO is helping to train army officers, police, and civilian administrators of a new Iraq. And 21 of our European coalition partners are providing forces on the ground. America and Europe are also working together to advance the cause of peace in the Holy Land, where we share the same goal of two democratic states, Israel and Palestine, living side by side in peace and freedom.

In my Inaugural Address, I said that the liberty we espouse is a universal aspiration. Many Americans trace their roots back to Europe, and we can trace many of our founding ideals there as well. It was a Frenchman who taught the Framers of our Constitution the importance of the separation of powers. It was a Scot who explained the virtues of a free market. It was an Englishman who challenged us to correct the principal defect of our founding, the plague of slavery. And it was an Italian who gave us our name, America.

America's strong ties to Europe are reflected in the largest two-way trading and investment relationship in the world. Today, more than a fifth of all U.S. exports go to the European Union, and millions of Americans depend for their paychecks on the local affiliates of European parent companies.

I will work with our European partners to open markets and expand opportunities for our businesses, our workers, and farmers, and to advance the Doha round of trade talks. I will make clear that one of my top priorities is to reduce the remaining European barriers to U.S. agricultural goods.

Even the best of friends do not agree on everything. But at the dawn of the 21st century, the deepest values and interests of America and Europe are the same, defeating terrorism, conquering poverty, expanding trade, and promoting peace. On both sides of the Atlantic, terrorist attacks on our cities and civilians have shown that freedom has dangerous enemies and that the key to a lasting peace is the advance of human liberty.

Today, security and justice and prosperity for our world depend on America and Europe working in common purpose. That makes our transatlantic ties as vital as they have ever been. And during my visit to Europe next week, I will discuss with our friends and allies how we can strengthen those ties to build a future of peace and freedom for our children.

Thank you for listening.

NOTE: The address was recorded at 7:50 a.m. on February 18 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on February 19. The transcript was made available by the Office of the Press Secretary on February 18 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks in Brussels, Belgium
February 21, 2005

Guy, or Mr. Prime Minister, thank you for your kind introduction, and thank you for your warm hospitality. Distinguished guests and ladies and gentlemen: Laura and I are really glad to be back. I'm really pleased to visit Brussels again, the capital of a beautiful nation, the seat of the European Union and the NATO Alliance. The United States and Belgium are close allies, and we will always be warm friends.

You know, on this journey to Europe, I follow in some large footsteps. More than two centuries ago, Benjamin Franklin arrived on this continent to great acclaim. An observer wrote, "His reputation was more universal than Leibnitz or Newton, Frederick or Voltaire, and his character more beloved and esteemed than any or all of them." The observer went on to say, "There was scarcely a peasant or a citizen who did not consider him as a friend to

humankind." I have been hoping for a similar reception—[*laughter*]—but Secretary Rice told me I should be a realist. [*Laughter*]

I appreciate the opportunity, in this great hall, to speak to the peoples of Europe. For more than 60 years, our nations stood together to face great challenges of history. Together, we opposed totalitarian ideologies with our might and with our patience. Together, we united this continent with our democratic values. And together we mark, year by year, the anniversaries of freedom, from D-day to the liberation of death camps to the victories of conscience in 1989. Our transatlantic alliance frustrated the plans of dictators, served the highest ideals of humanity, and set a violent century on a new and better course. And as time goes by, we must never forget our shared achievements.

Yet our relationship is founded on more than nostalgia. In a new century, the alliance of Europe and North America is the main pillar of our security. Our robust trade is one of the engines of the world's economy. Our example of economic and political freedom gives hope to millions who are weary of poverty and oppression. In all these ways, our strong friendship is essential to peace and prosperity across the globe, and no temporary debate, no passing disagreement of governments, no power on Earth will ever divide us.

Today, America and Europe face a moment of consequence and opportunity. Together we can once again set history on a hopeful course away from poverty and despair and toward development and the dignity of self-rule, away from resentment and violence and toward justice and the peaceful settlement of differences. Seizing this moment requires idealism; we must see in every person the right and the capacity to live in freedom. Seizing this moment requires realism; we must act wisely and deliberately in the face of complex challenges. And seizing this moment also requires cooperation, because when Europe and America stand together, no problem can stand against us. As past debates fade, as great duties become clear, let us begin a new era of transatlantic unity.

Our greatest opportunity and immediate goal is peace in the Middle East. After many false starts and dashed hopes and stolen lives, a settlement of the conflict between Israelis and Palestinians is now within reach. America and Europe have made a moral commitment: We will not stand by as another generation in the Holy Land grows up in an atmosphere of violence and hopelessness. America and Europe also share a strategic interest. By helping to build a lasting peace, we will remove an unsettled grievance that is used to stir hatred and violence across the Middle East.

Our efforts are guided by a clear vision. We're determined to see two democratic states, Israel and Palestine, living side by side in peace and security. The Palestinian people deserve a government that is representative, honest, and peaceful. The people of Israel need an end to terror and a reliable, steadfast partner for peace. And the world must not rest until there is a just and lasting resolution to this conflict.

All the parties have responsibilities to meet. Arab States must end incitement in their own media, cut off public and private funding for terrorism, stop their support for extremist education, and establish normal relations with Israel. Palestinian leaders must confront and dismantle terrorist groups, fight corruption, encourage free enterprise, and rest true authority with the people. Only a democracy can serve the hopes of Palestinians and make Israel secure and raise the flag of a free Palestine.

A successful Palestinian democracy should be Israel's top goal as well, so Israel must freeze settlement activity, help Palestinians build a thriving economy, and ensure that a new Palestinian state is truly viable, with contiguous territory on the West Bank. A state of scattered territories will not work. As Palestinian leaders assume responsibility for Gaza and increasingly

larger territory, we will help them build the economic and political and security institutions needed to govern effectively. And as that democracy rises, the United States and Europe will help the parties implement the roadmap to peace.

These vital steps are also difficult steps, because progress requires new trust and because terrorists will do all they can to destroy that trust. Yet we are moving forward, and we are doing so in practical ways. Next month in London, Prime Minister Blair will host a conference to help the Palestinian people build the democratic institutions of their state. President Abbas has the opportunity to put forward a strategy of reform which can and will gain support from the international community—including financial support. I hope he will seize the moment. I have asked Secretary Rice to attend the conference and to convey America's strong support for the Palestinian people as they build a democratic state. And I appreciate the prominent role that Prime Minister Blair and other European leaders are playing in the cause of peace.

We seek peace between Israel and Palestine for its own sake. We also know that a free and peaceful Palestine can add to the momentum of reform throughout the broader Middle East. In the long run, we cannot live in peace and safety if the Middle East continues to produce ideologies of murder and terrorists who seek the deadliest weapons. Regimes that terrorize their own people will not hesitate to support terror abroad. A status quo of tyranny and hopelessness in the Middle East, the false stability of dictatorship and stagnation, can only lead to deeper resentment in a troubled region and further tragedy in free nations. The future of our nations and the future of the Middle East are linked, and our peace depends on their hope and development and freedom.

Lasting, successful reform in the broader Middle East will not be imposed from the outside; it must be chosen from within. Governments must choose to fight corruption, abandon old habits of control, protect the rights of conscience and the rights of minorities. Governments must invest in the health and education of their people and take responsibility for solving problems instead of simply blaming others. Citizens must choose to hold their governments accountable. The path isn't always easy, as any free people can testify, yet there's reason for confidence. Ultimately, men and women who seek the success of their nation will reject an ideology of oppression and anger and fear. Ultimately, men and women will embrace participation and progress—and we are seeing the evidence in an arc of reform from Morocco to Bahrain to Iraq to Afghanistan.

Our challenge is to encourage this progress by taking up the duties of great democracies. We must be on the side of democratic reformers. We must encourage democratic movements, and we must support democratic transitions in practical ways.

Europe and America should not expect or demand that reforms come all at once. That didn't happen in our own histories. My country took many years to include minorities and women in the full promise of America, and that struggle hasn't ended. Yet while our expectations must be realistic, our ideals must be firm, and they must be clear. We must expect higher standards from our friends and partners in the Middle East. The Government of Saudi Arabia can demonstrate its leadership in the region by expanding the role of its people in determining their future. And the great and proud nation of Egypt, which showed the way toward peace in the Middle East, can now show the way toward democracy in the Middle East.

Our shared commitment to democratic progress is being tested in Lebanon, a once-thriving country that now suffers under the influence of an oppressive neighbor. Just as the Syrian regime must take stronger action to stop those who support violence and subversion in Iraq and must

end its support for terrorist groups seeking to destroy the hope of peace between Israelis and Palestinians, Syria must also end its occupation of Lebanon.

The Lebanese people have the right to be free, and the United States and Europe share an interest in a democratic, independent Lebanon. My Nation and France worked to pass Security Council Resolution 1559, which demands that Lebanon's sovereignty be respected, that foreign troops and agents be withdrawn, and that free elections be conducted without foreign interference. In the last several months, the world has seen men and women voting in historic elections from Kabul to Ramallah to Baghdad, and without Syrian interference, Lebanon's parliamentary elections in the spring can be another milestone of liberty.

Our commitment to democratic progress is being honored in Afghanistan. That country is building a democracy that reflects Afghan traditions and history and shows the way for other nations in the region. The elected President is working to disarm and demobilize militias in preparation for the National Assembly elections to be held this spring. And the Afghan people know the world is with them. After all, Germany is providing vital police training. The United Kingdom is helping to fight drug trade. Italy is giving assistance on judicial reform. NATO's growing security mission is commanded by a Turkish general. European Governments are helping Afghanistan to succeed, and America appreciates your leadership.

Together, we must make clear to the Iraqi people that the world is also with them, because they have certainly shown their character to the world. An Iraqi man who lost a leg in a car bombing last year made sure he was there to vote on January the 30th. He said, "I would have crawled here if I had to. I don't want terrorists to kill other Iraqis like they tried to kill me. Today I am voting for peace." Every vote cast in Iraq was an act of defiance against terror, and the Iraqi people have earned our respect.

Some Europeans joined the fight to liberate Iraq, while others did not. Yet all of us recognize courage when we see it, and we saw it in the Iraqi people. And all nations now have an interest in the success of a free and democratic Iraq, which will fight terror, which will be a beacon of freedom, and which will be a source of true stability in the region. In the coming months, Iraq's newly elected assembly will carry out the important work of establishing a government, providing security, enhancing basic services, and writing a democratic constitution. Now is the time for established democracies to give tangible political, economic, and security assistance to the world's newest democracy.

In Iran, the free world shares a common goal. For the sake of peace, the Iranian regime must end its support for terrorism and must not develop nuclear weapons. In safeguarding the security of free nations, no option can be taken permanently off the table. Iran, however, is different from Iraq. We're in the early stages of diplomacy. The United States is a member of the IAEA Board of Governors, which has taken the lead on this issue. We're working closely with Britain, France, and Germany as they oppose Iran's nuclear ambitions and as they insist that Tehran comply with international law. The results of this approach now depend largely on Iran. We also look for Iran to finally deliver on promised reform. The time has arrived for the Iranian regime to listen to the Iranian people and respect their rights and join in the movement toward liberty that is taking place all around them.

Across the Middle East, from the Palestinian Territories to Lebanon to Iraq to Iran, I believe that the advance of freedom within nations will build the peace among nations. And one reason for this belief is the experience of Europe. In two World Wars, Europe saw the aggressive nature of tyranny and the terrible cost of mistrust

and division. In the cold war, Europe saw the so-called stability of Yalta was a constant source of injustice and fear, and Europe also saw how the rise of democratic movements like Solidarity could part an Iron Curtain drawn by tyrants. The spread of freedom has helped to resolve old disputes, and the enlargement of NATO and the European Union have made partners out of former rivals. America supports Europe's democratic unity for the same reason we support the spread of democracy in the Middle East, because freedom leads to peace. America supports a strong Europe because we need a strong partner in the hard work of advancing freedom and peace in the world.

European leaders demonstrated this vision in Ukraine. Presidents Kwasniewski of Poland, Adamkus of Lithuania, Javier Solana of the EU helped to resolve the election crisis and bring Ukraine back into the camp of freedom. As a free Government takes hold in that country and as the Government of President Yushchenko pursues vital reforms, Ukraine should be welcomed by the Euro-Atlantic family. We must support new democracies, so members of our Alliance must continue to reach out to Georgia, where last year peaceful protests overturned a stolen election and unleashed the forces of democratic change.

I also believe that Russia's future lies within the family of Europe and the transatlantic community. America supports WTO membership for Russia, because meeting WTO standards will strengthen the gains of freedom and prosperity in that country. Yet for Russia to make progress as a European nation, the Russian Government must renew a commitment to democracy and the rule of law. We recognize that reform will not happen overnight. We must always remind Russia, however, that our alliance stands for a free press, a vital opposition, the sharing of power, and the rule of law. And the United States and all European countries should place democratic reform at the heart of their dialog with Russia.

As we seek freedom in other nations, we must also work to renew the values that make freedom possible. As I said in my Inaugural Address, we cannot carry the message of freedom and the baggage of bigotry at the same time. We must reject anti-Semitism from any source, and we must condemn violence such as we have witnessed in the Netherlands. All our nations must work to integrate minorities into the mainstream of society and to teach the value of tolerance to each new generation.

The nations in our great alliance have many advantages and many blessings. We also have a call beyond our comfort; we must raise our sights to the wider world. Our ideals and our interests lead in the same direction: By bringing progress and hope to nations in need, we can improve many lives and lift up failing states and remove the causes and sanctuaries of terror.

Our alliance is determined to promote development and integrate developing nations into the world economy. The measure of our success must be the results we achieve, not merely the resources we spend. Together, we created the Monterrey Consensus, which links new aid from developed nations to real reform in developing ones. This strategy is working. Throughout the developing world, governments are confronting corruption, the rule of law is taking root, and people are enjoying new freedoms. Developed nations have responded by increasing assistance by a third.

Through the Millennium Challenge Account, my Nation is increasing our aid to developing nations that govern justly, expand economic freedom, and invest in the education and health of their people. While still providing humanitarian assistance and support, developed nations are taking a wiser approach to other aid. Instead of subsidizing failure year after year, we must reward progress and improve lives.

Our alliance is determined to encourage commerce among nations, because open markets create jobs and lift income and

draw whole nations into an expanding circle of freedom and opportunity. Europe and America will continue to increase trade, and as we do so, we'll resolve our trade disagreements in a cooperative spirit. And we should share the benefits of fair and free trade with others. That's why we'll continue to advance the Doha Development Agenda and bring global trade talks to a successful conclusion. We should all pursue fiscal policies in our nations, sound fiscal policies of low taxes and fiscal restraint and reform, that promote a stable world financial system and foster economic growth.

Our alliance is determined to show good stewardship of the earth, and that requires addressing the serious, long-term challenge of global climate change. All of us expressed our views on the Kyoto Protocol, and now we must work together on the way forward. Emerging technologies, such as hydrogen-powered vehicles, electricity from renewable energy sources, clean coal technology, will encourage economic growth that is environmentally responsible. By researching, by developing, by promoting new technologies across the world, all nations, including the developing countries, can advance economically while slowing the growth in global greenhouse gases and avoid pollutants that undermines public health. All of us can use the power of human ingenuity to improve the environment for generations to come.

Our alliance is determined to meet natural disaster, famine, and disease with swift and compassionate help. As we meet today, American and European personnel are aiding the victims of the tsunami in Asia. Our combined financial commitment to tsunami relief and reconstruction is nearly $4 billion. We're working through the Global Fund to combat AIDS and other diseases across the world. And America's Emergency Plan has focused additional resources on nations where the needs are greatest. Through all these efforts, we encourage stability and progress, build a firmer basis for democratic institutions, and above all, we fulfill a moral duty to heal the sick and feed the hungry and comfort the afflicted.

Our alliance is also determined to defend our security, because we refuse to live in a world dominated by fear. Terrorist movements seek to intimidate free peoples and reverse the course of history by committing dramatic acts of murder. We will not be intimidated, and the terrorists will not stop the march of freedom. I thank the nations of Europe for your strong cooperation in the war on terror. Together, we have disrupted terrorist financing, strengthened intelligence sharing, enhanced our law enforcement cooperation, and improved the security of international commerce and travel.

We're pursuing terrorists wherever they hide. German authorities recently arrested two terrorists plotting to attack American interests in Iraq. Both will be prosecuted under new German laws enacted after September the 11th. Just last week, the United Nations added Muhsin al-Fadhli to its Al Qaida and Taliban Sanctions Committee list. This man is a known Al Qaida operative and Zarqawi associate, provided support to the terrorists who conducted the 2002 bombing of a French oil tanker. Working together, America, France, and other nations will bring him to justice. For the sake of the security of our people, for the sake of peace, we will be relentless in chasing down the ideologues of hate.

On September the 11th, America turned first to our immediate security and to the pursuit of an enemy, and that vital work goes on. We also found that a narrow definition of security is not enough. While confronting a present threat, we have accepted the long-term challenge of spreading hope and liberty and prosperity as the great alternatives to terror. As we defeat the agents of terror, we will also remove the sources of terror.

This strategy is not an American strategy or a European strategy or a Western strategy. Spreading liberty for the sake of peace

is the cause of all mankind. This approach not only reduces a danger to free peoples; it honors the dignity of all peoples by placing human rights and human freedom at the center of our agenda. And our alliance has the ability and the duty to tip the balance of history in the favor of freedom.

We know there are many obstacles, and we know the road is long. Albert Camus said that "freedom is a long-distance race." We're in that race for the duration, and there is reason for optimism. Oppression is not the wave of the future; it is the desperate tactic of a few backward-looking men. Democratic nations grow in strength because they reward and respect the creative gifts of their people. Freedom is the direction of history, because freedom is the permanent hope of humanity.

America holds these values because of ideals long held on this continent. We proudly stand in the tradition of the Magna Carta, the Declaration of the Rights of Man, and the North Atlantic Treaty. The signers of that treaty pledged "to safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty, and the rule of law." In this new century, the United States and Europe reaffirm that commitment and renew our great alliance of freedom.

May God bless you all.

NOTE: The President spoke at 2:08 p.m. at the Concert Noble. In his remarks, he referred to Prime Minister Guy Verhofstadt of Belgium; Prime Minister Tony Blair of the United Kingdom; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; President Hamid Karzai of Afghanistan; Lt. Gen. Ethem Erdagi, commander, International Security Assistance Force, NATO; President Aleksander Kwasniewski of Poland; President Valdas Adamkus of Lithuania; Secretary General Javier Solana of the European Council; President Viktor Yushchenko of Ukraine; and senior Al Qaida associate Abu Musab Al Zarqawi.

Joint Statement by President George W. Bush and President Jacques Chirac: Lebanon

February 21, 2005

The United States and France join with the European Union and the international community in condemning the assassination of former Lebanese Prime Minister Rafiq Hariri, and in their support for a free, independent, and democratic Lebanon. We support the U.N. investigation into this terrorist act and urge the full cooperation of all parties in order to identify those responsible for this act.

We urge full and immediate implementation of UNSCR 1559 in all its aspects, including its call for a sovereign, independent, and democratic Lebanon as well as for the consolidation of security under the authority of a Lebanese government free from foreign domination.

Lebanon's forthcoming parliamentary elections can mark another milestone in Lebanon's return to independence and democracy if they are free and fair, conducted without outside interference, and guaranteed by international observers. The implementation of UNSCR 1559 is essential to the organization and success of these elections. The people of Lebanon deserve this opportunity, and we stand with them in their aspirations for freedom, sovereignty, and security.

NOTE: An original was not available for verification of the content of this joint statement.

Remarks Following Discussions With President Jacques Chirac of France and an Exchange With Reporters in Brussels
February 21, 2005

President Bush. It's my honor to be joining Jacques Chirac for dinner. I thank you for coming, sir. I've really been looking forward to this moment.

Every time I meet with Jacques, he's got good advice. And I'm looking forward to listening to you. We've got a lot of issues to talk about: Middle Eastern peace, Lebanon, Iran, helping to feed the hungry, and working together to help spread medicines necessary to cure illness.

So, Mr. President, thank you very much for your—coming by for dinner, and thank you for your time.

President Chirac. Thank you. It's, of course, a great pleasure. It always is great pleasure to meet with President Bush. And let me take this opportunity to thank him for his very warm welcome to me today as always.

Now, President Bush and I have always shared very—always had very warm relations, which in fact translate, to a certain extent, of relations—of warm relations that have always been characterized—the links between our countries and the relations, be they bilateral or transatlantic ones, which have always been excellent between France and the United States.

Indeed, we have struggled for some two centuries, 200 years now, to uphold and keep alive these values which we share, and which our people share and hold very dear to their hearts, and which we are very attached to.

We are present together, that is to say France and the United States, in some of the world's hotspots. I'm thinking of Afghanistan. I'm thinking of the Balkans, of course, but I'm thinking also of what we're doing in Haiti and in Africa. I'm thinking also of our excellent cooperation over the tragedy in Asia; I'm talking about the tsunami here. And let me take this opportunity to thank the President for all the help that was extended to our military by the American military, for instance, the making available to our military of American helicopters, which made our work that much easier.

So we do share many, many ideals and values. We have many things in common. For instance, we, together, are struggling against the scourge of weapons of mass destruction and terrorism. And we adopted—we have the same approach to the situation which is prevailing in Lebanon, especially following the murder of former Prime Minister Hariri, who, of course, was a man who enshrined the ideals of democracy, independence, and liberty of that country.

Therefore, I am looking forward to a very constructive discussion, and I welcome this new opportunity to meet with the President and in a broader context, which is that of the continuing dialog, ongoing dialog between the United States and the rest of Europe.

President Bush. Tom [Tom Raum, Associated Press].

Russia

Q. For both Presidents: You talked about Russia, Mr. President, in your speech. What practical things can you do to pressure Russia to go back to a path towards

democracy? And should you, for instance, make membership in the WTO contingent on Russia renewing its commitment to democracy? For both Presidents, please.

President Bush. Part of the WTO requirements are that there be an open market, that there be a liberal economy. And open markets and liberal economies tend to attract countries that are open to the voices of their people.

I look forward to seeing Vladimir Putin in 2 days. I've got a good relationship with Vladimir; I intend to keep it that way. But as well, I intend to remind him that if his interests lie West, that we share values, and that we—and those values are important. They're not only important for people that live within Russia; they're important to have good relations with the West.

France-U.S. Relations

Q. The first question to President Chirac. You have said, sir, yourself, that relations have always been excellent between France and the United States. We get the sense that in recent weeks they have become even better. They have become warmer and that there's a veritable new honeymoon, as it were, taking place.

And to you, President Bush, may I ask the following question: If, indeed, relations have improved, if indeed they are better between France and the United States, are they good enough as yet for that to warrant an invitation to President Chirac to go to the United States, possibly even to your ranch, sir? [*Laughter*]

President Bush. I'm looking for a good cowboy. [*Laughter*]

President Chirac. Let me say—repeat what I already said, namely, that our relations are indeed excellent. But they have been excellent for over 200 years now, because—why do I say that? Because they are based upon common values, common values that we share. And these things don't change overnight, with the wave of a wand.

Now, of course, that doesn't mean that because we share common values we don't—we necessarily agree on everything all the time. Of course, we can have our differences, or our divergence of opinion. Recently, this was the case. We didn't share the same view over Iraq. But this in no way affects or in no way undermines the bedrock of our relations, namely, our common values and our common vision. And I repeat what I said earlier on, namely, that I feel it's very important that within the broader context of U.S.-EU relations, this relationship should continue to be cemented, broadened, and strengthened.

President Bush. This is my first dinner, since I've been reelected, on European soil, and it's with Jacques Chirac, and that ought to say something. It ought to say how important this relationship is for me, personally, and how important this relationship is for my country.

NOTE: The President spoke at 7:13 p.m. in the Ambassador's residence at the U.S. Embassy. In his remarks, he referred to President Vladimir Putin of Russia. President Chirac referred to former Prime Minister Rafiq Hariri of Lebanon, who was assassinated on February 14 in Beirut. President Chirac and a reporter spoke in French, and their remarks were translated by an interpreter.

Remarks Following Discussions With Prime Minister Tony Blair of the United Kingdom in Brussels
February 22, 2005

President Bush. I just had a good breakfast. I always enjoy being with my friend Tony Blair. We talked about the progress being made in Iraq, and I want to congratulate you on your vision. The Iraqis are—you know, have defied the terrorists and showed the world they want to live in a free society, and we're there to help them achieve that.

I'm looking forward to the NATO meeting today. NATO is a vital relationship for the United States and for Europe. And I'm looking forward to meeting with the EU as well. As I said in my speech yesterday, a strong Europe is very important for the United States, and I really meant that. And the Prime Minister is one of the strong leaders in Europe, and I really enjoy my relationship with him.

Prime Minister Blair. First of all, I'm pleased to come and talk to the President again and go through the range of different issues that we face in the world today. And I both welcome the President's speech yesterday very much and thanked him for it. And I think what it sets out is a very clear way forward for us now. Whatever the differences in the international community have been over the past couple of years, I think we have a really solid basis now for going forward in a unified way. And if we take that opportunity, it will be greatly to the benefit of the international community.

We can see this, obviously, with Iraq, where after the democratic elections that are held now, it's possible to see a way forward in which Iraq can become a stable and a prosperous and a democratic state. And after all the tragedies of the past and the dictatorship and the loss of life under Saddam, there's now real prospect for the Iraqi people. And that, joined to what has happened in Afghanistan, I think gives us real hope for the future.

In addition, the President set out very clearly a way forward on the Middle East peace process. There's a renewed sense of vigor and optimism in that process. And with the London conference coming up next week, I think we've got every possibility now of trying to reach a settlement, which I think would do so much for international relations worldwide.

Then, of course, we also went through many of the other issues, to the upcoming G–8 later in the year and so on. So it was, as ever, a very constructive, very useful discussion across a whole range of issues. And as I say, I think that yesterday's speech and today's meeting at NATO gives us an opportunity to restate for people in Europe and in America the fundamental importance of this transatlantic alliance. It's been a cornerstone of our security for many, many years. It's based on shared values. It's absolutely the right thing for us to have at the center of our relations. And we'll do everything we can to make sure that that relationship is strong.

NOTE: The President spoke at 8:42 a.m. at the Chief of Mission Residence at the U.S. Embassy. In his remarks, Prime Minister Blair referred to former President Saddam Hussein of Iraq.

The President's News Conference With Secretary General Jakob Gijsbert "Jaap" de Hoop Scheffer of the North Atlantic Treaty Organization in Brussels

February 22, 2005

Secretary General de Hoop Scheffer. Good afternoon. Very good afternoon to you. Let me start by—this press conference by echoing what was said many times around the table this morning, and that is, thanks to President Bush that he is here, showing the continued commitment to NATO so shortly after his Inauguration. I mean, I would be unfaithful to the discussion if I didn't start like this. So let me say once again on my own behalf, Mr. President, thank you for being here. Thank you for coming.

What did we discuss; what have I heard today? I have heard strong support for the Atlantic Alliance. I have heard strong support for the common values which bind us, in the past, in the present, and in the future.

I have heard strong support for NATO's operations and missions, strong support for what we are doing in Afghanistan and our further ambitions, strong support for the training mission in Iraq, where we have further ambitions in setting up the training academy and where we have now fully manned and financed what we committed to do. And you know it's the Iraqi Government's first priority, training the Iraqi security forces so that their dependence on others can be less than it is at the moment. I heard strong support for our continued presence in Kosovo and stability in the Balkans.

I've heard a discussion on the importance of a strong NATO-EU partnership. At length, government leaders, heads of state discussed the political role of NATO, the stronger political role of NATO, and there was a lot of support for what I have been saying over the past 8, 9 months: that this political role is important, that NATO is a political-military alliance, and that we should not shy away from discussing political subjects of relevance.

Many remarks and interventions were made on the Middle East, the importance of NATO's Mediterranean dialog, which is being strengthened, the importance of the Istanbul Cooperation Initiative for these activities of NATO in this very pivotal region where security and stability is not only important for the region but far beyond. Of course, the hopes for progress in the Israeli-Palestinian question were discussed, and I think it's important that, by outreaching into the region, NATO follow this process, although it does not play a primary role.

Of course, let me come back to Ukraine this morning. There is strong support, strong support, first of all, for NATO's bottom line, which is NATO has an open door for those European democracies who fulfill the obligations, strong support for giving President Yushchenko, in his challenging endeavor to bring Ukraine closer to Euro-Atlantic integration—to support him in that respect.

In other words, because I want to be brief, it was an excellent summit. It was an excellent summit. It was an excellent idea of the President to come here, to have this summit here and now, because there is a daunting and challenging task and a daunting and challenging agenda waiting for NATO. And we'll go for that agenda. And I'll make proposals in the not too distant future on this political role for NATO. And the atmosphere was excellent, and that was the way it should be, because what binds us are the values. We'll discuss them; we'll have difference of opinion, yes, from time to time, but there is a lot more we

agree upon, and that is the bottom line. And that's the basis for this great Alliance, and that's the way I, in my responsibility, having this privilege of being Secretary General, I will run the Alliance.

Mr. President.

President Bush. Thank you, sir. It's good to be back here to the NATO Headquarters. This is my first trip overseas of my second term, and I'm proud to make the home of NATO my first stop. And I appreciate the invitation. You've done a fine job of running the meetings. You're doing a fine job of being the Secretary General, I want you to know, and I appreciate all our friends who were around the table today for their strong commitment to NATO.

It was a healthy dialog, and that strong commitment is important. After all, NATO is the most successful alliance in the history of the world—think about that, the most successful alliance in the history of the world. Because of NATO, Europe is whole and united and at peace. And that's a milestone in the history of liberty.

NATO is the home for nine former members of the Warsaw Pact. You know, the leaders of those countries, when they sit around the table, bring such vitality to the discussions that we have. See, it's still fresh in their memories what it meant to live in a society that wasn't free. I said in my remarks today that, you know, sometimes you can take a relationship for granted, and it was very important for us not to take the NATO relationship for granted. One thing is for certain: The newly admitted countries don't take NATO for granted. As a matter of fact, they add a vitality to the discussions that I find refreshing and hopeful. NATO is an important organization, and the United States of America strongly supports it.

I appreciate so very much the transformation of NATO that's taking place. In order for NATO to be vital, it's got to be relevant, and if it stays stuck in the past, it's slowly but surely going to fade into oblivion. But it's not staying stuck in the past. We've created the NATO Response Force—and I want to thank you for your leadership on that, Jaap—and the chemical and biological and radiological and nuclear battalion. The NATO command structure is streamlined.

NATO is involved in the Middle East, a world—a part of the world desperate for freedom. And I want to thank you for your leadership on that. And we had a lot—spent a lot of time talking about the NATO contribution to Afghanistan, and it is real and it is important and it is substantial. And more countries are committed to providing help for the RPTs [PRTs] * as well as the upcoming elections, and I'm most grateful.

And then we discussed the NATO contribution in Iraq. First, many member countries have sent troops into Iraq as a part of the liberation of Iraq. And I thanked them there, and I reminded them that every life is precious, and we appreciate the sacrifices being made by their citizens. But 26 nations sat around the table saying, "Let's get the past behind us, and now let's focus on helping the world's newest democracy succeed." And I appreciated the contributions. And the NATO training mission is an important mission, because, after all, the success of Iraq depends upon the capacity and the willingness of Iraqis to defend their own selves against terrorists.

So the discussions were fruitful. The Ukraine—the meeting with President Yushchenko was, I thought, historic. I thought it was really interesting to be sitting next to a person—the Secretary General put me right next to President Yushchenko—who had just led a revolution, a peaceful revolution, based upon the same values that we hold dear. And it was a remarkable moment, I thought.

And we—at least in my intervention and other interventions, we welcomed President Yushchenko and reminded him that NATO

* White House correction.

is a performance-based organization and that the door is open, but it's up to President Yushchenko and his Government and the people of Ukraine to adapt the institutions of a democratic state. And NATO wants to help, and we pledged help. I pledged my own Government's help to a fund that will help get rid of MADPADS—MANPADS and certain different types of weapons. In other words, the country has got work to do, but we want to help them achieve that work. It was a remarkable moment. I appreciate you inviting him, Jaap, to come.

We also look forward to working with Albania, Croatia, and Macedonia as these states participate in NATO's Membership Action Plan. All in all, the meeting was really important. I am really glad I came. It gave me a chance to say that the relationship between the United States and Europe is a vital relationship, a necessary relationship, an important relationship, and our relationship within NATO is the cornerstone of that relationship. So, Jaap, thank you for your hospitality. Glad to be here.

Arms Embargo on China

Q. Mr. President, European countries are talking about lifting their 15-year arms embargo on China. What would be the consequences of that? And could it be done in a way that would satisfy your concerns?

President Bush. Well, I talked about this issue with President Chirac last night and Prime Minister Blair, and I intend to talk about it here in a couple of hours at the European Union meeting. We didn't discuss the issue at NATO, by the way. And here's what I explained. I said there is deep concern in our country that a transfer of weapons would be a transfer of technology to China, which would change the balance of relations between China and Taiwan, and that's of concern. And they, to a person, said, well, they think they can develop a protocol that isn't—that shouldn't concern the United States. And I said I'm looking forward to seeing it and that they need to make sure that if they do so, that they sell it to the United States Congress, that the Congress will be making the decisions as to whether or not—as to how to react to what will be perceived by some, perhaps, as a technology transfer to China.

But it was an important dialog. It was a very open dialog. There's no—it was very constructive. And so they will, as I understand it—and I don't want to put words in people's mouth, but I am told that there is a—that they've heard the concerns of the United States. They're listening to the concerns of the administration as first articulated by Secretary of State Rice, and they know the Congress's concern. And so they will try to develop a plan that will ease concerns. Now, whether they can or not, we'll see.

Q. So do you think it might fly?

President Bush. Pardon me? I don't know. It's all speculation at this point. The purpose of this trip has been to articulate concerns that are being expressed throughout the Government, both in the executive branch and legislative branch, about the decision—or the potential decision. And I've been listening. And you might call this a listening tour, that people have got things on their mind, and they want me to hear it, and part of what they've got on their mind is the dialog that's taking place with China and the European Union.

Role of NATO

Q. Mr. President, about a week ago in Munich, we have had the old and the new Rumsfeld—[*laughter*]—but the thing is——

President Bush. Same old Bush. [*Laughter*]

Q. But the new Rumsfeld is still saying the mission determines the coalition. What does that mean, exactly, Mr. President? Does that mean that for you, this Alliance, NATO, is just one tool in the American toolbox to face crisis?

President Bush. No, you're going to have to ask Secretary Rumsfeld what he meant by that when he said it. I'll tell you what

I think, and since I'm his boss, it's probably pretty relevant. [*Laughter*] I think it is the vital relationship for the United States when it comes to security. And it is a relationship that is—has worked in the past and is adjusting so that it works in the future. It's a relationship and a organization that needs to make sure that its capabilities meet the threats of the 21st century. And so this is a vital relationship.

And as the Secretary General mentioned, that there needs to be a political component, a place for us to come and have a strategic dialog. He has raised that issue; Chancellor Schroeder raised the issue. And everybody heard Chancellor Schroeder loud and clear; everybody heard the Secretary General loud and clear, and that is, is that in order for NATO to be relevant, it has to be a place where people feel comfortable about talking about strategic issues.

And we do talk about strategic issues. And what Jaap has just said—and you're welcome to clarify what you just said, if you feel like it—but as he said, he's going to come back with an action plan to make sure that NATO's relevance is strong, not only to have the capabilities necessary to defend our respective securities but as a place for us to have meaningful dialog. Isn't that what you said?

Secretary General de Hoop Scheffer. I could start by adding, of course, it's young Bush and young de Hoop Scheffer who are talking here. [*Laughter*] I mean, that goes without saying. [*Laughter*]

To come back to your question, it is, indeed, as President Bush has said, it is—NATO is a political-military organization. And when we want—in the areas where we operate, be it Afghanistan, be it Kosovo, in Iraq—if NATO wants to go on keeping the public, parliamentary support for its operations and for its missions, we really need to discuss the key political questions surrounding those operations and missions.

And you cannot deny that when NATO is reinforcing its Mediterranean dialog, when NATO is reaching out into the broader Middle East—and you know that the reactions have been very positive up until now—it is relevant for the NATO Alliance to discuss these issues in the broadest sense. You can't do the one without the other. And as President Bush was saying, this is the path. I'll try to lead, because a vital Alliance means that this Alliance is a vital political-military organization. That is the object of the exercise, to say it like this.

NATO Contributions in Iraq

Q. Thank you, sir. Some of the contributions on Iraq involve only a few people, modest amounts of money. Is this going to be enough, or is largely symbolic?

President Bush. Well, first of all, when you look around the table, Steve [Steve Holland, Reuters], that you see countries that have made enormous contributions, and the biggest contribution of all is when they've sent a person into combat and that person lost their life. That is a significant contribution. And the United States of America is grateful for those contributions, and we honor every life. The key is to make sure that those lives that were lost don't go down in vain, that a free and democratic and peaceful country emerges. Every contribution matters.

Twenty-six nations sitting around that table said it's important for NATO to be involved in Iraq. That's a strong statement. And NATO is involved in Iraq, and NATO is doing a vital mission, which is to help an officer corps emerge. The truth of the matter is, in order for Iraq to be a secure country, there has to be a chain of command that is effective and works, so that commands go from a political body to a military, and the military commands goes down so that people enact the orders in order to keep the people safe. That is what has to happen. And NATO is providing an officer training mission, which is vital.

Every contribution matters, and every country ought to be proud of the fact that they're contributing to the world's newest

democracy. This organization is an organization that's based upon values, values that have stood the test of time, values that are universal, and values that are necessary for the world to be peaceful. And the contributions made into Iraq are based upon those values. And I am grateful.

Europe-U.S. Relations/Democracy

Q. I have two questions, one for the President and one for the Secretary General.

President Bush. Finally, he got a question. [*Laughter*]

Q. Well, I'll put my question first to you, Mr. President. The wider European audience, it won't be a surprise for you, is still skeptical about the policies of your administration, often being considered as dictating or unilateral. Now, on this trip, you have launched a sort of major charm offensive—at least the Europeans will see it that way. [*Laughter*]

President Bush. Well, thank you. I appreciate it. First time I've been called charming in a while. [*Laughter*]

Q. But the question is, what are you going to do really differently in your second term to improve transatlantic relations?

And for the Secretary General, the question is, what should the Europeans do to improve transatlantic relations?

President Bush. Well, our bilateral relations are very strong with many countries, like your country. We've had 4 years, great relations. And matter of fact, last night, my dinner with President Chirac reminded me that except for one major issue, and that being Iraq, we've done a lot together in my first 4 years. If you think about it, we've participated in Afghanistan together; we've participated in Haiti; we're working on the Global Fund to battle AIDS. I mean, there's a lot we have done together.

The major issue that irritated a lot of Europeans was Iraq. I understand that. I can figure it out. And the key now is to put that behind us and to focus on helping the new democracy succeed. It's in our interests—it's in your country's interests; it's in my country's interests that democracy take hold in the greater Middle East.

The policy in the past used to be, let's just accept tyranny, for the sake of—well, you know, cheap oil or whatever it may be and just hope everything would be okay. Well, that changed on September the 11th for our Nation. Everything wasn't okay. Beneath what appeared to be a placid surface lurked an ideology based upon hatred. And the way to defeat that ideology is to spread freedom and democracy. That's what NATO understands, see. That's one of the reasons why—NATO is one of the reasons why Europe is whole and free and at peace, because democracies defeat hatred and suspicion.

And so I will explain—continue to explain as best I can to skeptical people about my policy, that it's based on this concept that we all share, no matter your views on Iraq or not. And that is, every human being deserves to be free and that human dignity is vital and that free societies are peaceful societies. And I will make a commitment again to you, just like I made yesterday and will continue to make, that I'll take those values into the Middle Eastern peace process. As I said in my State of the Union, peace is within reach—that's right about here. And we've got to work together to achieve that.

And so my message is, is that the past is—I made some hard decisions, as did other leaders, by the way, in Europe, about how to enforce 17 different United Nations resolutions on Iraq, not one resolution but 17 different resolutions. And we liberated Iraq, and that decision has been made. It's over with, and now it's time to unify for the sake of peace. And I believe that message—I believe—forget the charm part. I believe that message is a message that people can understand. And they're beginning to see that the strategy is working.

Millions of people of voted in Afghanistan. I doubt many of you here were writing articles about, "Oh, gosh, the elections

in Afghanistan are going to be incredibly successful." It didn't seem like it was possible, did it? But yet there's something in everybody's soul, in my judgment, that desires to be free. And the people of Afghanistan showed that by the millions—not by the handfuls but by the millions—when given a chance to vote. Same in Iraq. And there was an election in Ukraine—two elections in Ukraine. And then there was the election in the Palestinian Territory. Freedom is on the march, is the way I like to put it. And the world is better off for it. And I look forward to continue to articulate how we can work together to keep freedom on the march.

Thank you all very much.

Secretary General de Hoop Scheffer. Let me——

President Bush. Oh, I'm sorry.

Secretary General de Hoop Scheffer. No, no, no——

President Bush. He gave me a hand signal that said he didn't want to answer. [*Laughter*] You don't know what this means. [*Laughter*] That means, "End the press conference." [*Laughter*]

Secretary General de Hoop Scheffer. I signaled to the President this was too difficult a question, but I nevertheless answer very briefly.

NATO is 26—not 25 plus one or 24 plus 2. NATO showed today that these 26 Allies in Europe or the United States of America or Canada will and must strengthen this Alliance, this very successful Alliance, which is doing—with the West and European participation—all the things I started to discuss in my introduction.

Second remark would be that European integration, including in security and defense matters, is important. But in that area, it's of the utmost importance that, also, that process takes place in complementarity with NATO and without duplication. That's important for NATO; it's important for European Union. That's why I want this wide NATO-EU agenda that's relevant. European integration is a great process, and I always say I'm an Atlanticist and I'm European. But here is the point, where we are now standing in NATO Headquarters, where we see the primary forum for transatlantic security cooperation, and we'll do that at 26 and not at 24 plus 2 or 25 plus one.

Thank you very much.

President Bush. Now we're finished. [*Laughter*]

NOTE: The President's news conference began at 2:45 p.m. in the Joseph Luns Press Theatre at NATO Headquarters. In his remarks, he referred to President Viktor Yushchenko of Ukraine; President Jacques Chirac of France; Prime Minister Tony Blair of the United Kingdom; and Chancellor Gerhard Schroeder of Germany. He also referred to Provincial Reconstruction Teams (PRTs), a component of NATO's International Security Assistance Force operating in Afghanistan.

Joint Statement by the United States and the European Union: Announcement on Iraq Conference
February 22, 2005

The United States and Europe stand together in support of the Iraqi people and the new Iraqi government which will soon come into being. To that end, should the new Iraqi government request it, the United States and the European Union are prepared to co-host an international conference to provide a forum to encourage and coordinate international support for Iraq.

NOTE: An original was not available for verification of the content of this joint statement.

The President's News Conference With European Union Leaders in Brussels
February 22, 2005

President Juncker. Good evening, ladies and gentlemen. As heads of state and government of the European Union, we've been very happy to welcome the U.S. President, Mr. George Bush, to the heart of the European institutions. And once again, I would like to thank him for this visit and for the fact that he has taken the initiative of coming to Europe so soon after his Inauguration for his second term as President of the United States.

In the course of our discussions, we have touched on a whole range of issues, which it is clearly impossible for me—[*inaudible*]—that wasn't me; that was the microphone—[*laughter*]—a whole series of issues which we cannot summarize here. What I would say is that what we have established is that, as so often in our past, if we work together, if we pool our strengths, we as Europeans and Americans can make the difference. We have the strength; we have the legitimacy; and we have the means—because we have the same ambitions for the world, ambition of democracy, of freedom, of fighting together against terrorism, the ambition to end the proliferation of weapons of mass destruction.

On our flags, we have the words "freedom" and "democracy." And we recognize the obligations that result from this, the fight against poverty, the fight against underdevelopment. And so, in a very studious, constructive, and friendly atmosphere, we addressed a number of issues.

Middle East: We both do consider that peace prospects are better than they have been for a long time, and we are looking forward to cooperate in close partnership with the U.S. and with other Quartet members. It is of crucial importance, we do think, to go back to the implementation of the roadmap. In Gaza, we do all hope and prospect for a negotiated, two-state solution as defined in this roadmap. That means that we have to make sure for Israel that peace, security, and recognition by all countries in the region are guaranteed. And that means for the Palestinians that they have the right to have a viable, democratic, independent, and totally contiguous state.

As regards Iraq, we applauded the courage of the Iraqi people and the results of recent Iraqi elections as far as the outturn was concerned. We are pursuing our common engagement in Iraq. The United States and the U.S. stand together in support of the Iraqi people and the new Iraqi Government, which will soon come into action. To that end, should the new Iraqi Government request it, the United States and European Union are prepared to cohost an international conference to provide a forum to encourage and coordinate international support for Iraq.

We spoke at length about the Middle East and in particular about Lebanon—Lebanon, this country which is lurching from misfortune to misfortune, from tragedy to tragedy. And we condemned vigorously the assassination of the former Prime Minister. We insisted on full compliance and immediate compliance with the Security Council resolution, and we, the U.S. and the European Union, have called for a joint committee of investigation.

[*Inaudible*]—discussed, I leave this to the President of the U.S.

George.

President Bush. Mr. Prime Minister, thanks. Jose, it's good to see you, sir; thank you. I'm looking forward to having dinner with you and Javier Solana and Jean-Claude tonight.

Listen, it's an honor to be here. I appreciate the invitation. You called an extraordinary meeting, and I'm honored you did so. My first trip after my Inauguration was to Europe, and that's the way it should be because Europe and the United States are close friends.

In my talk to the leaders in the room, I started by saying this: There should be no doubt in your mind that my Government and the United States wants the European project to succeed. It's in our interests that Europe be strong. It's in our interests that the European Union work out whatever differences there are and become a continued, viable, strong partner. It's in our interests for commercial reasons; we trade a lot. And I talked about the need to continue trade and to work out our disputes in a sensible way.

It's in our interests because the values that caused the European Union to exist in the first place, the values of human rights and human dignity and freedom, are the same values we share. And we have an opportunity to work together to spread those values. We talked about Iraq, and I appreciate the contributions and the new suggestion. I appreciate your contributions in Afghanistan.

We talked about how hopeful the Middle Eastern peace situation looks. And I told the leaders that my Government will be very much involved in the process. We believe peace is within reach. Therefore, I want to work with the European Union to achieve that objective.

We talked about aid, the need to work together to fight disease like HIV/AIDS, which we are doing and will continue to do.

I brought up global warming. I said that the Kyoto debate is beyond us, as far as I'm concerned; now is the time to focus on our abilities and research and capacity to develop technologies to make the air cleaner so that our people can have the standard of living they expect, at the same time that we're good stewards of the Earth.

So it was a very optimistic, hopeful meeting. I appreciate so very much the hospitality of the leaders, and I'm anxious to continue our dialog after this press conference.

President Juncker. Jose Manuel.

President Durao Barroso. Thank you. I think that, on behalf of the European Commission, that the visit of President Bush is really a very, very important one. Europe and America have reconnected. This visit has highlighted all that unites Europe and America. It has focused the eyes of the world on all that we share. I believe that the relationship between the United States and Europe is the world's strongest, most comprehensive and strategically important partnership. The United States, a united Europe—this is really the indispensable partnership.

If you look at the scale of the challenges ahead, like terrorism, poverty, one thing is certain: These are not challenges that any nation can tackle alone. Europe knows that; the United States know that. Even working together, it's not sure that we will solve these problems because of their magnitude. But we must try, and I believe that together, we will prevail. The reality is that the world is safer and more prosperous when Europe and America work together as global partners.

Today we have had opportunity to discuss many of the challenges on the transatlantic agenda, on the Middle East, on transatlantic trade. There is a common outlook on many fronts. I believe that the European Union and America will be very strong partners in supporting the efforts of Israel and the Palestinian Authority to move towards a lasting peace in the Middle

East. We know that President Bush and America are fully engaged. There is a unique opportunity for peacemaking.

The European Union and the United States are committed to continue to bring prosperity and solidarity across the broader Middle East, building, on the Europe Union's side, on the decade of dialog and assistance through the Barcelona process.

On Iraq, the Commission is and will remain committed to a stable and democratic country. We will continue to offer substantial political and financial support for the process of democratic transition. And we hope that if the new Iraqi Government makes a concrete proposal for joint action, we'll be ready to assist.

We also have a shared commitment to development, and I would add that we must measure ourselves by results, helping countries to progress towards the Millennium goals. We must give urgent attention to Africa. We need a quantum leap in terms of resources and policy.

We'll talk later about how we can work together also to fight climate change. The United States and Europe, I think I can say this, agree that climate change constitutes a major challenge. Now, we need to develop new methods of working together to get results that are effective over the long term. President Bush mentioned, for instance, the prospects offered now by new technologies. We are very much wishing to work together with the United States in that field.

The United States and Europe are the two largest economies in the world. We are determined to deepen the transatlantic economic partnership. Trade and investment are the bedrock of transatlantic relations. We want to build on this. Our common objective must be to remove obstacles to transatlantic trade and investment as well as making a success of Doha development round, which is a catalyst for global growth. Europe is committed to promote growth and jobs through knowledge, innovation, and opportunity. That is what the Lisbon agenda stands for.

This visit has given new life to the partnership between Europe and United States. I believe that transatlantic relations have turned a corner. A new listening partnership is emerging. The challenge now is to turn this new spirit into reality and show the world we are able to translate it into concrete results.

President Juncker. Thank you. So, we'll take three or four questions, two coming from the European side, two from the U.S. side. [*Inaudible*]—please.

European Union and North Atlantic Treaty Organization

Q. [*Inaudible*]—a question to U.S. President and to Prime Minister of Luxembourg. This EU-U.S. summit fueled speculation that there will be now two transatlantic tracks on foreign and security policy. One is the good old NATO and then the other one is the new one that's direct EU-U.S. strategic talk. So is this meeting between EU and U.S., this special summit, a kind of historic foundation of a new second track outside of NATO on EU-U.S. relations?

President Juncker. I always wanted to make history, but I don't think that this time—[*laughter*]—is the moment for doing so. We have an ongoing transatlantic dialog inside NATO. It can be improved, and we discussed this this morning together with the President. And we have an ongoing transatlantic dialog inside the framework between U.S. and European Union. We'll have another summit by the end of this semester in June in Washington, where we are trying to deliver as concrete results as possible, on the basis of the good atmosphere we laid down in the course of this meeting.

We shouldn't make a distinction between NATO and between the European Union. These are two different things, but there are strong family relations and links between the two. This is not a question or/or; it is a question and/and.

President Bush. I agree. I mean, I don't view these two meetings as mutually exclusive meetings. I think they're both important; they're both a part of an important dialog with Europe. NATO was set up for security matters. The EU is set up as a way to make Europe function better, to be able to achieve objectives for her people. And the United States looks forward to working with Europe both within NATO and as the European Union.

I've been meeting with the European Union a lot since I've been the President. This isn't the first meeting—your question kind of made it sound like, "He finally showed up and met." This isn't the first time we've met with the European Union in my Presidency. As a matter of fact, we do so on an annual basis, and I look forward to the meetings. And they're constructive, and they're important.

Plante [Bill Plante, CBS News].

Democracy in Russia

Q. Mr. President, the Russians seem to be pushing back against some of the things that you've said, Mr. President. Their Ambassador to the U.S. wrote today that "there cannot . . . be a sole standard for democracy." So what I'm asking is just how flexible you think the standards for democracy can be.

President Bush. First, we've got a constructive relationship with Russia, and that's important. I've got a very good personal relationship with President Putin, and that's important. And it's important because it enables me and our country to remind President Putin that democracies are based upon rule of law and the respect for human rights and human dignity and a free press—you'll be happy to hear. And that—a constructive relationship allows me to remind him that I believe Russia is a European country, and European countries embrace those very same values that America embraces. And I'm looking forward to continuing my dialog with him.

President Juncker. Next European question. [*Laughter*]

President Bush. I see you wanted to ask a question, yes.

Iran/Upcoming London Meeting on the Middle East

Q. A question for President Bush. President, you came to Europe with a very constructive speech, and, indeed, you said very few things the Europeans couldn't agree with. But actions speak louder, so do you actually commit to taking more into account the European's positions on international matters? And do you actually commit to, for instance, prevent from launching action, strikes against a sovereign member state, state like Iran, without a mandate from the United Nations Security Council?

President Bush. I—You know, look, I'm—let me talk about Iran. That's a place where I'm getting good advice from European partners. After all, Great Britain, Germany, and France are negotiating with the ayatollahs to achieve a common objective, something that we all want, and that is for them not to have a nuclear weapon. It's in our interests for them not to have a nuclear weapon. It's also in our interests for them not to continue funding terrorist organizations like Hizballah, which has the desire to stop the Middle East peace process from going forward. And so these are great interlocutors on behalf of the position we share. So there's an example of concrete action.

I'm also looking forward to working with our European partners on the Middle Eastern peace process. Tony Blair is hosting a very important meeting in London, and that is a meeting at which President Abbas will hear that the United States and the EU is desirous of helping this good man set up a democracy in the Palestinian Territories, so that Israel will have a democratic partner in peace. I laid out a vision—the first U.S. President to do so—which said that our vision is two states, Israel and Palestine, living side by side in peace. That

is the goal. And I look forward to working concretely with our European friends and allies to achieve that goal.

And finally, this notion that the United States is getting ready to attack Iran is simply ridiculous. And having said that, all options are on the table. [*Laughter*]

Bob [Bob Deans, Cox Newspapers].

Democracy in Russia

Q. Mr. President, I wanted to follow up on Plante's question, if I could. I wanted to follow up on——

President Bush. Is this a question on Russia?

Q. Sir?

President Bush. This is a question on Russia?

Q. Yes, sir.

President Bush. Okay.

Q. Do you believe, sir, that Russia is backsliding in its march toward democracy? What troubles you the most about that, and how is that going to shape your conversation with President Putin in 2 days from now?

President Bush. I like a country with a free press—an independent, free press. And there has been some moves where the Russian Government, I guess, for better use of the word, didn't license certain members of the press. I think it's very important that President Putin hear not only from me in a private way, which he will, but also hear some of the concerns that I heard around the table today. There were some concerns from the Baltic nations. And I look forward to carrying their message that it's very important for President Putin to make very clear why he's made some of the decisions he's made and as well as respect his neighbors.

And I'm confident that can be done in a cordial way. It's important for us to keep a constructive relationship with Russia. We've got a lot to do together. We've got a lot of common projects that will make people more secure around the world, one of which is to make sure that nuclear stockpiles are safeguarded. I look forward to talking to him about that. But I also will remind him that the United States believes strongly in democratic values.

Thank you.

President Juncker. That was it. Thank you.

NOTE: The President's news conference began at 6:58 p.m. at the Justus Lipsius Building. The President met with Prime Minister Jean-Claude Juncker of Luxembourg, in his capacity as President of the European Council; President Jose Manuel Durao Barroso of the European Commission; and Secretary General Javier Solana of the European Council. President Juncker made a portion of his remarks in French, and his remarks were translated by an interpreter. In his remarks, President Bush referred to President Vladimir Putin of Russia; Prime Minister Tony Blair of the United Kingdom; and President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority. President Juncker referred to former Prime Minister Rafiq Hariri of Lebanon, who was assassinated on February 14 in Beirut. A reporter referred to Russia's Ambassador to the U.S. Yuriy Viktorovich Ushakov.

Remarks at a Luncheon Hosted by Chancellor Gerhard Schroeder of Germany in Mainz, Germany
February 23, 2005

Gerhard, before I raise my imaginary glass—[*laughter*]—I do want to thank you for your hospitality. You and Doris have been very kind to Laura and me, and we

appreciate that. I want to thank all the folks who have come to say hello from around this great country. It means a lot to both of us that you're here.

You know, in the course of my political career, I've often been accused of following in my father's footsteps. I don't know why people say that. [*Laughter*] I'm proud to be here, 16 years after he was here. I hope he brought my mother because, like me, we both married above ourselves. [*Laughter*] I'm proud to be traveling with Laura.

The first trip I took since my second inauguration was to Europe, because Europe is a vital relationship for the United States of America. It is in my Nation's interest that Europe be strong. We want a strong partner for peace and freedom. We can't have good, strong relations with Europe if we don't have good relations with Germany. This great nation is the heart of Europe.

My trip today should say to the people of this good country and my country that past disagreements are behind us, and we're moving forward for the good of mankind. And that shouldn't be a surprise to people, because we believe in human rights and human dignity and the worth of every individual.

And so today I come to Germany to raise my imaginary glass to our friendship, our relationship, our ability to work together, and for freedom and peace. May God bless you all.

NOTE: The President spoke at 11:58 a.m. in the Grosser Saal Lobby of the Electoral Palace. In his remarks, he referred to Doris Schroeder-Koepf, wife of Chancellor Schroeder. The transcript released by the Office of the Press Secretary also included the remarks of Chancellor Schroeder.

The President's News Conference With Chancellor Gerhard Schroeder of Germany in Mainz
February 23, 2005

Chancellor Schroeder. Thank you very much, indeed, ladies and gentlemen. I'm very pleased, indeed, about this opportunity of welcoming President Bush and his wife, Laura, here in Germany. I think Mainz is an excellent venue for this meeting.

We had a very, very intense discussion, and we basically covered each and every subject that is a high-ranking one on the international political agenda today.

Now, before I go into any kind of detail, let me begin by sharing with you that we find it very important, sir, that you take note of one aspect that is important for both of us. We also talked about climate problems that we have worldwide, and this is an area where we also need a solution. You know we have different—or used to have different opinions about how to go about these things. The Kyoto Protocol was not appreciated by everybody, and that is something that has continued to exist. But I would like to emphasize that, despite that, we would like to see practical cooperation with the reduction of problems in this area. And we think that there could be room for maneuver, particularly in the field of technology, where the United States of America and Germany both have tremendous know-how, and we would like to deepen cooperation in this field, irrespective of the question of whether Kyoto is the right tool to be going about things or not. And that is something we have first said, and this is a piece of progress that you must not underestimate.

Now, over and above that, we obviously talked about all of the international problems on the agenda. Some of those problems have already been addressed yesterday in Brussels. I have to say it is good and it is right, and I think it is important for the development of peace in the world that President Bush's administration and he, himself, personally, have committed themselves to the situation of the Middle East peace process.

I think there is hope today and even more than hope, possibly, that we will come to a solution here. And a solution can only ever be mentioned and conceived if there is a strong involvement of the United States of America.

Now, obviously, the other members of the Quartet can be helpful. They want to be helpful; there can be no doubt. The same goes for us too. But I am very pleased that there is now this very strong commitment of the U.S. Americans to this specific problem.

Now, we obviously talked about Iraq as well, and here, especially, we talked about what the perspective can be for the future. And nobody wants to conceal that we had different opinions about these things in the past, but that is the past, as I just said. And now our joint interest is that we come to a stable, democratic Iraq. Germany was certainly involved when it was about waiving debt for Iraq. You know that at the time we addressed this subject in New York. We have committed ourselves, and it was a success. We would like to see a situation where Iraq can use its financial scope for reconstruction and doesn't have to use the money on debt servicing. And what the Paris Club achieved was, I think, a great achievement.

Now, secondly, we are ready, and when people like us say we're ready, we are ready and we do do something. We're actually doing already; we are training policemen and military security staff for Iraq in the United Arab Emirates, and there I think we can modestly say it is a rather successful project indeed. And all of that is, obviously, trying to arrange for more homegrown Iraqi security. And we are very much interested in not just continuing with these things but to also expand on those activities.

Now, what we do not want to do in Iraq has been accepted, and we then said we'd be very happy to make expertise available when it is about the rebuilding of democratic institutions, be it questions of drafting a constitution but also the establishment of ministries, for example. Germany has a host of experience with these things, and if the new Iraqi Government wishes us to do so, we'd be most pleased to oblige.

Now, the discussion about Iran took quite a bit of space during our meeting, and let me say openly and frankly that regarding the targets that we are trying to achieve, we are fully congruous; that is to say we absolutely agree that Iran must say no to any kind of nuclear weapon, full stop. That is the joint target that Europeans uphold as much as the U.S. Americans, and we are very much of the opinion that this is the target that needs to be achieved through a diplomatic negotiating path, if at all possible. But this means there needs to be movement on both sides.

Now, we very much assume that this opportunity is there, and I very much am pleased to see that the activities undertaken by the three European powers—Great Britain, France, and Germany—find the support of the U.S. American President. And we very much agree that the targets we're going for is very much agreed: Iran must not have any nuclear weapons. They must waive any right to the production thereof, and they must renounce the right to even close the fuel cycle.

Now, what has now been—may have done in a temporary agreement has to be nailed down fully and completely and, well, sustainably.

Now, those were basically the topics that we addressed. And over and above that, we obviously talked about the situation in

Europe, the situation in Russia, and in other places of our beloved world. All in all, from my perspective, a tremendously successful meeting and a very friendly conversation I'm very pleased about. Thank you.

President Bush. Thank you very much for your kind hospitality. And Laura and I are looking forward to eating lunch with you and Doris. And we're so honored that you would greet us here in your beautiful country.

I am—it's obvious that my—it's—an obvious decision was to come here on my first trip since my Inauguration. After all, Europe is America's closest ally. I said yesterday and I want to say it again, the European project is important to our country. We want it to succeed. And in order for Europe to be a strong, viable partner, Germany must be strong and viable as well. And in order for us to have good relations with Europe, we must have good relations with Germany. And that is why this trip is an important trip for my country and for me.

And so I want to thank you very much for the chance to be here, a chance to reconfirm the importance of the transatlantic alliance, and a chance to talk about important issues. Gerhard went over the issues; I will go over them briefly as well.

First, I do want to say how much I appreciated Minister Schily coming to Washington, DC. I had a good visit with him, as did other people in my administration. I appreciate so very much the strong cooperation between Germany and the United States when it comes to sharing intelligence and to working together to find and arrest and bring to justice people who would do harm to our respective peoples or anybody else in the world. And I want to thank you for that good work.

Secondly, I appreciated your kind words about Iraq and the need for us to put past differences behind us and focus on the people of that country. After all, over 8 million people said, "We want to be free." And in the face of incredible threat to their life and safety, they voted. And as democracies, we have now decided to help them. And I want to thank you for your contributions. I fully understand the limitations of German contribution. However, the contributions that Gerhard Schroeder talked about are not limited; they're important. Whether it be ministry building or training of law enforcement officers, those are vital contributions, and I appreciate—including debt relief, by the way, is a part of the vital contribution.

We spent a lot of time talking about the Middle East. And I assured the Chancellor that this is a primary objective of my administration, is to help to move the process along. Peace will be achieved because the Israelis and the Palestinians want peace, and our job is to help them achieve that. And I look forward to Condoleezza Rice going to the meeting in London shortly to help the Palestinians develop the institutions necessary for a free society to emerge.

I said in my State of the Union that I believe a settlement on this important issue is within reach. I said that because I believe it. And because it is within reach, it is vital for all of us to do—to work together to help both parties achieve the two-state solution, two states living side by side in peace.

We spent time talking about Iran, and I want to thank Gerhard for taking the lead, along with Britain and France, on this important issue. It's vital that the Iranians hear the world speak with one voice that they shouldn't have a nuclear weapon. You know, yesterday I was asked about the U.S. position, and I said all options are on the table. That's part of our position. But I also reminded people that diplomacy is just beginning. Iran is not Iraq. We've just started the diplomatic efforts, and I want to thank our friends for taking the lead. And I will—we will work with them to convince the mullahs that they need to give up their nuclear ambitions.

I—we also talked about the environment. And obviously we've had differences on Kyoto. Those differences were first made known in 2001 on my trip to Europe. I assured the Chancellor that the United States cares about the quality of our air, obviously, that we spend $5.8 billion on technology on an annual basis to help develop ways to be able to maintain our standards of living and, at the same time, be good stewards of the environment. And we have a great opportunity to work with a great nation like Germany to share research, share intelligence, and not only to make sure that kind of—I mean, share technologies and to make sure that kind of technology is available for not only our own country but for developing countries like China and India.

And so we have a great opportunity, I think, Gerhard, and I appreciate you for seeing that opportunity as well. This is an important trip for me, and it's—and one of the most important stops of all is right here in Germany. And I appreciate your hospitality.

Germany-U.S. Relations

Q. Mr. President, when your father, 15 years ago, visited Mainz, at the time he talked about partnership and leadership. Would you give Germany the same role today, a partner to the United States of America?

President Bush. He fondly remembers the trip. Thank you for remembering that he came, and I will tell him that the first question I got on German soil had his name in it. [*Laughter*]

The United States relies upon our partnerships in the world to spread liberty and peace, to do our duties as a wealthy nation to help the poor, and to work on matters such as HIV/AIDS. And we need partners. And Germany is a partner. We share the same goals. We share the goal of a free and peaceful world. We share the goal of working together to convince the ayatollahs in Iran to give up their nuclear weapons ambitions. We care deeply about the fact that there's disease on the continent of Africa, a pandemic in the form of HIV/AIDS.

And so I would call Germany a partner in peace and a partner in freedom and a partner of doing our duty.

Keil. Richard Keil [Bloomberg News]. [*Laughter*] Here's your mike. He's a very tall person. [*Laughter*]

Chancellor Schroeder. I see; I see.

Syria

Q. President Bush, do you feel that you have gained any momentum here on this trip this week for possible new sanctions against Syria?

And Chairman Schroeder, do you think that considering new sanctions on Syria is something that you could approve of at this time?

President Bush. Dick, the—I had a good talk with President Chirac on this subject. France and the United States cosponsored a resolution in the United Nations that made it very clear that Syria needs to withdraw her troops from Lebanon.

I will state it again: The position of our Government is Syria must withdraw not only the troops but its secret services from Lebanon. And Syria, in so doing, will indicate the other point that the President of France and I wanted to make, and that is those elections that are coming up need to be free, without any Syrian influence.

And so the charge is out there for the Syrian Government to hear loud and clear. And we will see how they respond before there's any further discussions about going back to the United Nations.

Chancellor Schroeder. I very much share this opinion. And let me also add that jointly we are of the opinion that there must be an international investigation on the death of former Prime Minister Hariri in Lebanon. That is certainly one other aspect that—where we feel we stand united. And the French President agrees on this as well.

Role of NATO

Q. Chancellor, I wanted to put a question to you. You tabled an initiative to NATO reform in Munich. It was tabled in your absence, and you then went and explained thereafter. Could you tell me where you agree when it comes to your ideas for NATO, but also, can you tell me where the differences are?

Chancellor Schroeder. We have agreed that we are not going to constantly emphasize where we're not agreeing but we want to focus on where we do agree. And that is why I can share with you that, regarding the question as to where to go for NATO, we are very much of the opinion—and I've understood the President in such a way that we're jointly of the opinion—that it is necessary to take NATO and the European Union, both of them, and to make them into a forum for important international transatlantic positions, where these are openly, frankly, candidly discussed on a high level. That was very much what I wanted to say at the time, and that is still what I think to this day.

President Bush. I interpreted the comments to mean he wants NATO to be relevant, a place where there is meaningful strategic dialog. And that was very clear to everybody sitting around the table. And the meeting ended with Jaap saying to everybody that he's going to come back with a plan to make sure that the strategic dialog in NATO is relevant. And so I appreciated the spirit in which those comments were made.

Fletcher [Michael Fletcher], Washington Post.

Iran

Q. Thank you, Mr. President. Chancellor Schroeder has said that Iran will abandon its nuclear ambitions only after knowing that its economic and legitimate security concerns have been addressed. First of all, do you agree with that assessment, and can that happen without the United States joining the talks with Iran?

President Bush. Yes, I appreciate that. Look, first, let me just make this very clear: The party that has caused these discussions to occur in the first place are the Iranians. And the reason we're having these discussions is because they were caught enriching uranium after they had signed a treaty saying they wouldn't enrich uranium. So in other words, there is a—these discussions are occurring because they have breached a contract with the international community. They're the party that needs to be held to account, not any of us.

And secondly, what we discussed with our German friends and French and British friends as well is a series of negotiating tactics—how to make sure the process moves forward without yielding to our universal demand.

I might add, I believe there's another demand that makes sense as well, and that is that the Iranian Government listen to the hopes and aspirations of the Iranian people. That's what the German system does; that's what the American system does. We believe that the voice of the people ought to be determining policy, because we believe in democracy and freedom. And so, as we go down the road, we look forward to discussing ways to make—to talk with the three interlocutors without yielding at all on the universal demand that they must give up their weapons in a transparent way. And I'm hopeful we can achieve our objective. And we discussed tactics, some of which have bubbled up, obviously, into the public domain.

And we will continue to talk tactics, to make sure that we achieve the objective: Iran must not have a nuclear weapon. For the sake of security and peace, they must not have a nuclear weapon. And that is a goal shared by Germany, France, Great Britain, and the United States. And working together, we can get this accomplished.

Thank you all.

NOTE: The President's news conference began at 12:24 p.m. at the Electoral Palace.

In his remarks, he referred to Doris Schroeder-Koepf, wife of Chancellor Schroeder; German Interior Minister Otto Schily; President Jacques Chirac of France; and NATO Secretary General Jakob Gijsbert "Jaap" de Hoop Scheffer. Chancellor Schroeder referred to former Prime Minister Rafiq Hariri of Lebanon, who was assassinated on February 14 in Beirut. Chancellor Schroeder and some reporters spoke in German, and their remarks were translated by an interpreter.

Joint Statement: U.S.-German Joint Actions on Cleaner and More Efficient Energy, Development and Climate Change
February 23, 2005

Germany and the United States have a history of working together bilaterally and multilaterally to promote strong economic growth, reduce harmful air pollution, improve energy security, and mitigate greenhouse gas emissions through such mechanisms as the UN Framework Convention on Climate Change and its Delhi Declaration, the G–8 Action Plan on Science and Technology for Sustainable Development, and the World Summit on Sustainable Development Plan of Implementation. The United States and Germany welcome the continued work in this area under United Kingdom's G–8 Presidency.

1) Cooperation with Developing Countries

We are particularly committed to working with developing countries to help them meet their own development and poverty reduction priorities, which requires increased access to all forms of cleaner, more abundant, and more affordable modern energy sources, including renewable and efficiency technologies. To this end, we have worked to include major developing countries in our multilateral technology partnerships, to ensure that cleaner, more efficient technologies are appropriate to all major nations and regions of the world. We will broaden and reinforce those activities. We anticipate additional opportunities as we work together to address global environmental, economic and social challenges and opportunities.

2) Energy Conservation and Efficiency

Considerable economically viable technologies exist, and should be encouraged, for boosting energy efficiency in industrialized and developing countries. Progress on energy efficiency provides one of the greatest opportunities for cost-effective reduction in pollution and greenhouse gases and improvement in energy security. Examples range from highly efficient power stations, through energy-saving products, to fuel-efficient vehicles. Innovative future technologies such as fuel cells and photovoltaics offer great economic prospects. A promising new field is the area of nanosciences. They have the potential of offering higher energy efficiency, in particular more energy efficient commercial and household products, including vehicles, through the use of new materials and new illumination technologies. An intensification of our bilateral cooperation in the field of energy conservation, efficiency and new technologies could accelerate our progress. Grasping these opportunities will strengthen our economy and open up profitable markets for our companies.

The United States and Germany also have a joint commitment to the multilateral Methane to Markets Partnership that will advance the commercial use of methane, a potent greenhouse gas, from coalmines, natural gas and oil reserves and landfill sites. This initiative promises to significantly

reduce methane emissions and put them to profitable use as a clean energy source.

3) Modernization of domestic power generation

Efficient and cleaner production of heat and power from coal and natural gas are advanced by German-U.S. cooperation in the Carbon Sequestration Leadership Forum (CSLF), FUTUREGEN, and CORETECH. These three initiatives will help dramatically advance cleaner heat and power production from coal and natural gas via focused research and development efforts.

These activities underscore the important contribution of modernization of energy systems to supporting economic growth, improving energy security, and reducing pollution and greenhouse gas emissions. Highly efficient technologies offer great opportunities to cost-effectively reduce energy consumption, pollution, and greenhouse gas emissions. Germany and the United States will make joint efforts to apply these technologies domestically and worldwide, especially in fast growing developing countries.

4) Innovation for future energy systems

The United States and Germany lead global efforts to develop future energy systems including the use of hydrogen as an energy carrier. Both countries are founding members of the International Partnership for the Hydrogen Economy established by 15 counties and the European Commission in 2003 to conduct advanced research and development in hydrogen and fuel cell technologies. Germany and the United States cooperate bilaterally and multilaterally in the development of hydrogen powered fuel cells use in the transport and stationary sectors. A close cooperation in the research and innovation activities of the United States and Germany for future energy and transport systems, including fuel cells and hydrogen, will be a driving force to make these technologies available and price competitive.

5) International cooperation for renewable energy

Renewable energies should play an increasing role in the portfolio of modern energy systems. Renewables 2004, an international conference convened by the German government, provided a platform to advance renewable energy (e.g., biomass, wind, geothermal, solar, and hydropower) technologies and policies. Both the United States and German governments pledged financial and technical resources to advance development of renewable energy in the overall global mix of heat and power production. Recognizing that a wide range of different renewable technologies offer a variety of possibilities for joint projects on both bilateral and multilateral levels, the German and U.S. governments will work together to fulfill the pledges made at Renewables 2004.

Summary

The United States and Germany will broaden and reinforce their activities in three areas of common action to improve energy security and reduce pollution and greenhouse gas emissions, while supporting strong economic growth:

- First, joint activities to further develop and deploy cleaner, more efficient technologies to support sustainable development.
- Second, cooperation in advancing climate science, and developing effective national tools for policy action.
- Third, joint action to raise the efficiency of the energy sector and address air pollution and greenhouse gas emissions in our own countries and around the world.

We will continue working together and through partnership with the G–8 countries under the Action Plan for Science and Technology for Sustainable Development to enhance these efforts.

NOTE: An original was not available for verification of the content of this joint statement.

Remarks in a Discussion With Chancellor Gerhard Schroeder of Germany and Young Professionals in Mainz
February 23, 2005

President Bush. Gerhard, thank you very much for your hospitality. I want to thank you all for coming. This is a good opportunity for me to really listen to what you have to ask and tell me about a lot of things. I'm interested in economy, the entrepreneurial spirit. I'm interested in attitudes about freedom and peace. I'm interested to know, obviously, what you think about or answer questions about policies that I've decided. I obviously know there's a lot of disagreement about some of the decisions I've made, and I'm interested in sharing with you why I made the decisions I have made.

I really want to thank you for your time, and I appreciate your willingness to come and speak to two old guys like me and Gerhard. Isn't that right, Gerhard?

Chancellor Schroeder. I'm the older man.

President Bush. Older man. [*Laughter*] But this is a fantastic moment. This is going to be one of the highlights of my trip to Europe, and I can't thank you enough for being here.

Gerhard, do you want to say a few things?

Chancellor Schroeder. No, you can——

President Bush. Okay, we'll start with the questions.

Democracy/Upcoming Meeting With President Putin of Russia

Q. Okay, once again, welcome. Mr. President, you said in a recent interview with the Washington Times that if people want to get a glimpse of how you think about foreign policy, they should read "The Case for Democracy" by Natan Sharansky. In this book, as you know, Sharansky suggests the so-called town square test——

President Bush. Yes.

Q. ——can a person walk into the middle of the town square and express his or her views without fearing arrest or physical harm. My question for you: Did Sharansky's book have influence on your approach toward Russia?

President Bush. First of all, Sharansky's book confirmed how I was raised and what I believe, and it's essentially this, that deep in everybody's soul—everybody's soul—is this deep desire to be free. That's what I believe: No matter where you're raised, no matter your religion, people want to be free, and that a foreign policy, particularly from a nation that is free, ought to be based upon that thought. You know, you can't discriminate. Freedom is not a discriminatory thought, at least in the White House—[*inaudible*]—certain people should be free but others shouldn't free. It's a universal thought, as far as I'm concerned.

And therefore, our foreign policy is based upon this notion that the world is a better place when people are able to realize that which is embedded in their soul, because in that book, also, he talks about the idea that free societies are peaceful societies; democratic societies don't attack each other. And Europe is a classic example of countries which have embraced values based upon democracy and is peaceful.

And yes, this same principle applies to not only Iraq or Iran or America or Germany but also Russia. And as you know, there's a lot of focus on my meeting with Vladimir Putin tomorrow. As a matter of fact, Gerhard and I spent a lot of time talking about Russia today. He's got a close relationship with Vladimir, on a personal basis. I've got a close relationship with Vladimir, on a personal basis. I expressed some concerns at the European Union yesterday about some of the decisions, such as freedom of the press, that our mutual friend has made, and I look forward to

talking to him about his decisionmaking process.

One of the interesting things about being with a Chancellor or, in Putin's case, a President, is that we share something: We make decisions. And I like to learn from people how they make decisions. They say to me, "What's the President like? Give me a job description." The job description is "decisionmaker." And maybe we can talk a little bit about that later on. But yes, it applies to Russia as well.

Yes.

Energy Policy

Q. My name is Loretta Wuertenberger, from Blue Corporate Finance. Concerning Russia, the Iraq crisis has made quite clear to all of us how dependent we are on the oil resources from that region. And for the future, it is certainly necessary for us all to kind of look for strategies to become more independent of these resources.

President Bush. Yes.

Q. Does this aspect, for you, have influence on your relationship to Russia?

President Bush. That's an interesting question. The foreign policy of our country for years—I'm stepping back; I'm kind of going to branch out from Russia, and I'll get back to Russia. For years, there was this sense that we could tolerate tyranny for the sake of energy. And yet beneath the surface of that policy lurked this hatred and feeling of oppression and frustration and hopelessness, which lended itself to an ideology of hatred that ended up manifesting their hatred on America.

And let me say something about September the 11th. I think this will help frame the conversation as we go forward. For some, September the 11th was a passing moment in history. In other words, it was a terrible moment, but it passes. For me and my Government and many in the United States, it permanently changed our outlook on the world. Those two attitudes caused us, sometimes, to talk past each other, and I plead guilty at times. But as this conversation goes on, I want you to remember that point of view.

As a result of feeling like—that my main obligation is now to protect the American people and to confront an ideology of hate, we are no longer—our primary objective is the spread of freedom.

The best way to diversify, at least for my country—and I don't want to raise a sore subject here—but diversify away from dependence on foreign sources of energy is for us to take advantage of new technologies and expand safe nuclear power in the United States of America.

To me, that would achieve several objectives. One, it's a renewable source of energy; two, it's a domestic source of energy; and three, it would help us meet our obligations to clean air requirements. Unfortunately, it's an issue that's hard to get through our Congress. I mean, there's a lot of people still fearful of nuclear power, and it's a debate I've engaged in. It's a subject I brought up in my State of the Union Address, and it's a subject I'll continue to talk about because I think it is a way for the United States to be less dependent on foreign sources of energy, which is good for our economy and, frankly, helps us with foreign policy.

[*At this point, the open portion of the discussion ended.*]

NOTE: The President spoke at 2:40 p.m. at the Electoral Palace.

Remarks to United States Troops at Wiesbaden Army Airfield, Germany
February 23, 2005

Thank you all. Thank you very much. Thank you for the warm welcome. Laura and I were in the neighborhood—[*laughter*]—and we thought we'd just drop by to say hello. Howdy. [*Laughter*]

It's an honor to be here with so many outstanding soldiers, sailors, airmen, marines from this base and others in Germany. Laura and I are proud to be with you. I'm glad to be with the men and women of the 3d Support Command and the 421st Medical Evacuation Battalion. I see a lot of "Big Red Ones" here in the crowd. I know you're just back from Iraq. I'm pleased to say, "Job well done." It's good to be at the proud home of the 1st Armored Division. Some of you "Iron Soldiers" might have seen me before. I was the guy serving turkey.

I arrived this morning from Brussels, where I was meeting with some of our vital allies in the war on terror. I came to Wiesbaden to meet the men and women fighting on the frontlines of that war. You are carrying out challenging duties with skill and honor, and today I bring you a message from back home. The American people are grateful to you. Your communities are proud of you. And as you defend the cause of freedom, America stands with you.

I also want to thank all the military families who are here today. They tell me the quality of life here is really good—[*laughter*]—but it's a long way away from home, and it can be lonely when your loved ones are deployed on dangerous missions in distant lands; I know that. You built a strong, close-knit community here. You support all those who wear the uniform, and you support each other through difficult times. The service and sacrifice of America's military families is vital to our success in the war on terror, and your President is here to tell you I'm proud of our military families as well.

I appreciate Major General Marty Dempsey's introduction, and his wife, Deanie. I appreciate their leadership. Today we've got General Jim Jones, NATO's Supreme Allied Commander Europe, and his wife, Diane, with us.

I'm traveling in some pretty good company. I like to be around strong women. I want your men listening to your wives just like I listen to mine. Laura is a fabulous First Lady for our country. I'm proud of her. This Nation has got a great Secretary of State in Condoleezza Rice.

I appreciate Ambassador Dan Coats and wife, Marsha. Dan has been our Ambassador from the United States to Germany, and both have done a spectacular job on behalf of our Nation.

I want to thank Diana DeGarmo for helping to entertain you. I don't know if you know this, Laura and I were raised in west Texas. Three boys were raised right down the street from us there in west Texas. Those were the Gatlin boys, and I'm proud they're here. Thanks for coming.

The 1st Armored and 1st Infantry Divisions are two of the oldest, proudest units in the United States Army. You predecessors fought the great battles of World War II, stood vigil through the decades of the cold war, and served with distinction in Vietnam and Bosnia and Kosovo. And on this day 14 years ago, soldiers in both your divisions spent their final night in Saudi Arabia before charging into Iraq to crush the army of Saddam Hussein.

On September the 11th, 2001, history brought new responsibilities to our Nation, new challenges. That morning, America witnessed the violence and grief that terrorists can inflict. We had a glimpse of the greater destruction the terrorists intend. On behalf of our Nation, I made a pledge:

We will bring our enemies to justice or bring justice to our enemies.

And you are the ones who are carrying out this vital mission. Every one of you is a volunteer. You stepped forward to accept the hardest duties in this new war. And over the past 3 years, you have added to the great achievements of your divisions. You are part of the history of freedom and peace. You know that terrorists will not be stopped by negotiations or concessions or appeals to reason. Terrorists must be confronted, and they must be defeated. In this war, there is only one option for victory: We must take the fight to the enemy.

At this hour, brave Americans in uniform are protecting our country and others by hunting down the terrorists around the world, one by one. Since September the 11th, more than three-quarters of Al Qaida's known key members and associates have been brought to justice. The rest of them are on the run, and the world's greatest fighting force is on their trail.

The day our Nation was attacked, I also made it clear that regimes that support terror would be considered equally guilty of terrorist murder. A few weeks later, the Taliban found out what we meant. With good allies at our side, America's military liberated the people of Afghanistan from one of the most brutal regimes on Earth. We destroyed the training camps where the attacks of September the 11th were conceived. We showed the terrorists there's no cave deep enough to hide from American justice.

Today, Afghanistan is a free country and an ally in the war on terror. After long years of oppression, women are participating in that society. Boys and girls are going to school. The Afghan Army and police are securing their country. And last October, more than 8 million Afghan citizens cast their votes in the first free Presidential election in Afghanistan's 5,000-year history.

As our men and women in uniform helped to transform Afghanistan, we also confronted a growing danger in Iraq. One of the key lessons of September the 11th is that we must confront threats before they fully materialize. In Iraq, we found a threat to the entire world. Saddam Hussein supported terrorists; he pursued deadly weapons; he defied the just demands of the international community, year after year, resolution after resolution. The world gave him a final chance to disarm. And when he refused to comply, he met the might and the resolve of the United States military.

At a decisive moment in the history of freedom, America once again turned to the 1st Armored Division, and once again, the "Iron Soldiers" answered the call. You moved into Iraq in April of 2003, and you stayed for 15 months. You waged an innovative, disciplined campaign, and because of your skill and sacrifice, Iraq is sovereign and Iraq is free.

Before the "Iron Soldiers" left for Iraq, secret police held the population in fear. By the time you came home, you had trained thousands of Iraqi security forces who are now on the job defending their free country. Before "Iron Soldiers" left for Iraq, a terrible regime had decimated the country's education and health care systems. By the time you came home, you had repaired hundreds of schools and hospitals. When "Iron Soldiers" left for Iraq, Saddam Hussein was sitting in a palace, and by the time you came home, he was sitting in a prison cell.

You have served with honor and distinction—and a little longer than some of you expected. [*Laughter*] Some of you were boarding the plane home to return to your families when you got word that we'd extended your tour. I know that was a trying time. But no change in plans could shake your resolve. As a sergeant I met last year put it, "We're soldiers, and we drive on."

In your final months in Iraq, you drove on to seven major cities, defeated Sadr's militias decisively; you restored control of Iraq's holy sites to peaceful citizens. With

your victories in Najaf and Karbala, you helped the Iraqi people take critical steps toward freedom. And you proved to a watching world that the United States of America will never retreat before a band of thugs and assassins.

The "Iron Soldiers" built the foundation for democracy in Iraq, and to help finish the job, we turned to the "Big Red One." From Kirkuk to Samarra to Tikrit, the soldiers of the 1st Infantry Division worked around the clock to prepare Iraq for free elections. Your challenges were unprecedented, and so was the outcome. More than 8 million Iraqi voters defied the terrorists by lining up at the polls, dipping their fingers in ink, and casting the first free vote of their lives. Their courage was noteworthy and inspiring. One voter came to the polls in a wheelchair pushed by her grandson. She said, "I am here to cast my vote. Saddam killed six members of my family. This is the best revenge."

The Iraqi people have now taken rightful control of their destiny, and that would not have been possible without the 1st Infantry Division. By helping the people of that country turn back the enemies of democracy, you have acted in the great liberating tradition of our Nation. And like generations of soldiers before you, you have shown that America's military is one of the world's greatest forces for good.

Together, the 1st Infantry Division and the 1st Armored Division have helped to bring freedom and hope to a suffering people. These units have a few other things in common. They both count on the fearless soldiers of the "Dustoff Europe" battalion for medical care on the battlefield. They both rely on the 3d Support Command to deliver just about everything else they need. In a year of service in Iraq, the 3d Support Command delivered more than 185 million gallons of fuel, issued more than 50 million meals, and logged more than 25 million miles on the road. That's the equivalent of more than 1,000 trips around the world. The 3d Support Command carried out these duties on tight deadlines and often under enemy fire. Your courage is appreciated by every soldier at this base, every soldier in the theater, and I keep you—I thank you for keeping the force for the fight.

In the war on terror, all of you have taken great risks on my orders, and your service reflects the best qualities of America. You have been brave in the face of danger, unshakable in the times of testing, and generous to those in need. Some in your units have survived terrible injuries, and a grateful America will do everything we can to help them recover. Some of you have said farewell to some fine Americans. They represent a new generation of heroes, as great as any who have come before. Their example of unselfish courage inspires all who serve, and America will honor their names forever.

The sacrifices you have made will change the world for decades to come. By fighting terrorists in places like Baghdad and Karbala and Tikrit, you are making sure we do not face those enemies at home. By helping captive peoples gain their freedom, you have made a critical contribution to the history of liberty. And that means the world will be more peaceful and our children and grandchildren will be more secure. Your success is sending a clear message throughout the Middle East that the only force powerful enough to stop the rise of tyranny and terror and replace hatred with hope is the force of human freedom.

You are serving in a critical period in freedom's history, and there will be more difficult work ahead. Yet I'm optimistic about our future, because I know the character of freedom's defenders. I know the history of those who have defended our freedom. Fifty years ago this summer, the Soviet Union imposed a blockade on West Berlin. Keeping free Berlin alive seemed an impossible task, yet America and our allies refused to give in. From this airfield, American pilots launched dangerous missions to supply Berlin, and they continued

those flights at great risk for 11 months. The heroes of the Berlin Airlift saved that city, and with their early resolve, they helped freedom triumph in the cold war.

Today, America is again called to defend freedom. And once again, our military is answering the call. I have hope for our country and faith in our cause and great confidence in the men and women who wear our Nation's uniform. With your courage, with your determination, and with your skill, the cause of freedom will prevail, and we'll achieve the peace that we all want for future generations to come.

Thank you for letting us come by. Thank you for serving our great land. May God bless you. May God bless America.

NOTE: The President spoke at 4:56 p.m. In his remarks, he referred to Maj. Gen. Martin E. Dempsey, USA, commander, 1st Armored Division; entertainers Diana DeGarmo and the Gatlin Brothers; former President Saddam Hussein of Iraq; and Iraqi Shiite cleric Muqtada Al Sadr.

Remarks Following Discussions With Prime Minister Mikulas Dzurinda of Slovakia and an Exchange With Reporters in Bratislava, Slovakia
February 24, 2005

Prime Minister Dzurinda. Ladies and gentlemen, I'm very happy that the President of the United States is, for the first time, in Slovakia. This day is historical for my country. I have had very good debate with President Bush, telling him the basic orientation of our foreign policy. I appreciate the role of the United States, doing a lot of things in the world.

I told to President Bush that Slovakia supports the policy of the United States based on advancing freedom and democracy, based on preventing nuclear proliferation. This is why Slovakia supports the position of principle of the United States in many areas, regarding Iran, North Korea. This is why we support the effort of the United States to advance peace and stability in the Middle East and the democratization process all over the world.

I told to President Bush that there are many reasons why not only America but also the democratic world, including Slovakia, my home—we all need to have a strong President in the United States. And I'm very, very happy that the U.S. President is really very strong and courageous leader.

Thank you very much.

President Bush. Thank you, Mr. Prime Minister. I'm thrilled to be here. I have really been looking forward to this trip to Slovakia.

We've just had a great discussion. First, I complimented the Prime Minister on putting policies in place that have helped this economy grow. The most important responsibility we have at home is to make sure our people can find work. And the President [Prime Minister]* put a flat tax in place; he simplified his tax code, which has helped to attract capital and create economic vitality and growth.

I really congratulate you and your Government for making wise decisions. Slovakia is a great example of what can happen when people are set free. And this is an exciting place to be.

Secondly, I appreciate so very much the Prime Minister's vision on foreign policy. I want to thank you for having your troops by our troops in Iraq and Afghanistan. The Prime Minister understands that those of us who are free have a responsibility to

* White House correction.

help free others in order to make ourselves more secure. I'm so honored to have your commitment.

I told him that the supplemental that's working its way through Congress—in the supplemental there will be money for reimbursement to help our friends with troops on the ground.

I also talked about visa policy. The Prime Minister was very strong about reminding me that he wants there to be a different visa policy, a better visa policy for the citizens of Slovakia. He made the case very clearly on behalf of the citizens of Slovakia. I listened very closely to what he had to say. I told him that we will work with the Slovakian Government to reform the visa policy—reform in a way that conforms with the desires of our Congress, but nevertheless, the Slovakian people should see a different visa policy coming out of the United States because we've now got a roadmap that we both must work on. It won't happen instantly—the policy won't happen instantly, but the Prime Minister urged me to move down the roadmap. And I want to thank you for taking that leadership position as well.

Again, I want to thank the citizens of this great country for your hospitality. I want to thank my friend the Prime Minister for inviting me here in the first place and for extending such a warm greeting to me and Laura and our delegation.

Thank you, sir. Appreciate you.

Prime Minister Dzurinda. Questions were not planned, but I asked Mr. President that the first visit needs to give an opportunity——

President Bush. Of course they were planned, Mr. Prime Minister. [*Laughter*]

Prime Minister Dzurinda. One or two questions, please.

Iran

Q. Mr. President, you've talked a lot about Iran in many of your meetings on this trip, and we understand that you did a lot of listening about incentives for Iran, using them as negotiating tools, if you will. And first I'd ask you, why will you not join the EU–3 in direct talks with Iran? And then, what would you approve of as possible incentives? Did you hear anything that you liked?

President Bush. I appreciate that. First of all, we talked about Iran here, with our great friend. The reason why we talked about it, because it's a world problem. And one of the things I wanted to make sure I heard clearly from our friends in Europe was whether or not they viewed the Iran problem the same way I did. And they do. Chancellor Schroeder and Prime Minister Blair and President Chirac all said loud and clear that the Iranians should not have a nuclear weapon.

And secondly, I was listening very carefully to the different ideas on negotiating strategies. We have a common objective, which is to convince the ayatollahs not to have a nuclear weapon. And I'm going to go back and think about the suggestions I've heard and the ways forward. But the key thing is, is that we're united in our—in the goal.

The most effective way to achieve that goal is to have our partners, Great Britain and France and Germany, represent not only the EU, not only NATO but the United States. And hopefully we'll be able to reach a diplomatic solution to this effort. We're more likely to do so when we're all on the same page, and I know we're on the same page on this issue when it comes to a common goal.

Prime Minister Dzurinda. The last one, please.

President Bush. Anybody from Slovakia who would like to ask a question to the Prime Minister?

Visa Policy

Q. Mr. President, dropping of visa regime is probably the most important thing for Slovak citizens that would like to come to America and get to know your country. And I'm sure that all of them are very

interested if you could tell us at least an approximate date, when do you believe that these visas could be dropped? Thank you.

President Bush. Well, I appreciate you asking that. I can't give you a date. I wish—you know, if I could, I would. What I can tell you is that, one, the issue had been effectively put on the table by the Prime Minister and the Government; secondly, that we do have a way forward, a way to—look, the visa policy was basically set based upon decisions made prior to 1989. And so our policy still reflects overstays as a result of people who left when the people of this part of the world were not free. And we need to adjust that. We need to address those overstays in the light of people escaping a totalitarian regime. And we're in the process of doing that not just for Slovakia but for other countries in Eastern Europe. And we want to do this as quickly as possible.

Secondly, something else has changed, and that is the Slovak Republic has joined the European Union. And there is a new history now that that has been done, and that history needs to be included in the process. And so we're working our way through a new set of analyses that we can take to our Congress and say here's how people are—people from the Slovak Republic have behaved since free. And that's very important; that's very important.

It's—I can't predict how fast bureaucracies move. They tend not to move quickly. But the promise is, is that not only the President but the Secretary of State will do all we can to move this forward as quickly as possible, to be able to answer the question you asked, which is a legitimate question. I'm going to speak to this issue, by the way, in the square in a couple of minutes here, because I want people to hear that I am concerned about making sure our visa policy works.

Prime Minister Dzurinda. I'm very happy because Mr. President has confirmed that this problem is a part of his personal agenda, so I'm very, very happy because of it.

President Bush. It is.

Prime Minister Dzurinda. We will continue on this tour. Thank you very much.

President Bush. Thank you.

NOTE: The President spoke at 11:15 a.m. in the Office of the Prime Minister. In his remarks, he referred to Chancellor Gerhard Schroeder of Germany; Prime Minister Tony Blair of the United Kingdom; and President Jacques Chirac of France.

Remarks in Bratislava
February 24, 2005

Thank you all. *Dobr den.* Mr. President, Mr. Chairman, Mr. Prime Minister, thank you for your strong leadership and friendship. Mr. Mayor, distinguished guests, citizens of a free Slovakia, thank you for your hospitality. Laura and I are honored, extremely honored, to visit your great country. We bring greetings, and we bring the good wishes of the American people.

With us here today is a group of remarkable men and women from across Central and Eastern Europe who have fought freedom's fight in their homelands and have earned the respect of the world. We welcome you. We thank you for your example, for your courage, and for your sacrifice.

I'm proud to stand in this great square, which has seen momentous events in the history of Slovakia and the history of freedom. Almost 17 years ago, thousands of Slovaks gathered peacefully in front of this theater. They came not to welcome a visiting President but to light candles, to sing

hymns, to pray for an end to tyranny and the restoration of religious liberty.

From the hotel to our left, Communist authorities watched thousands of candles shining in the darkness and gave the order to extinguish them. The authorities succeeded in crushing that protest. But with their candles and prayers, the people of Bratislava lit a fire for freedom that day, a fire that quickly spread across the land. And within 20 months, the regime that drove Slovaks from this square would itself be driven from power. By claiming your own freedom, you inspired a revolution that liberated your nation and helped to transform a continent.

Since those days of peaceful protest, the Slovak people have made historic progress. You regained your sovereignty and independence. You built a successful democracy. You established a free economy. And last year, the former member of the Warsaw Pact became a member of NATO and took its rightful place in the European Union. Every Slovak can be proud of these achievements. And the American people are proud to call you allies and friends and brothers in the cause of freedom.

I know that liberty—the road to liberty and prosperity has not always been straight or easy. But Americans respect your patience, your courage, and your determination to secure a better future for your children. As you work to build a free and democratic Slovakia in the heart of Europe, America stands with you.

Slovaks know the horror of tyranny, so you're working to bring hope of freedom to people who have not known it. You've sent peacekeepers to Kosovo and election observers to Kiev. You've brought Iraqis to Bratislava to see firsthand how a nation moves from dictatorship to democracy. Your example is inspiring newly liberated people. You're showing that a small nation, built on a big idea, can spread liberty throughout the world.

At this moment, Slovak soldiers are serving courageously alongside U.S. and coalition forces in Afghanistan and Iraq. Some have given their lives in freedom's cause. We honor their memory. We lift them up in our prayers. Words can only go so far in capturing the grief of their families and their countrymen. But by their sacrifice, they have helped purchase a future of freedom for millions. Many of you can still recall the exhilaration of voting for the first time after decades of tyranny. And as you watched jubilant Iraqis dancing in the streets last month, holding up ink-stained fingers, you remembered Velvet Days. For the Iraqi people, this is their 1989, and they will always remember who stood with them in their quest for freedom.

In recent times, we have witnessed landmark events in the history of liberty, a Rose Revolution in Georgia, an Orange Revolution in Ukraine, and now a Purple Revolution in Iraq. With their votes cast and counted, the Iraqi people now begin a great and historic journey. They will form a new Government, draft a democratic constitution, and govern themselves as free people. They're putting the days of tyranny and terror behind them and building a free and peaceful society in the heart of the Middle East, and the world's free nations will support them in their struggle.

The terrorist insurgents know what's at stake. They know they have no future in a free Iraq, so they're trying desperately to undermine Iraq's progress and throw the country in chaos. They want to return to the day when Iraqis were governed by secret police and informers and fear. They will not succeed. The Iraqi people will not permit a minority of assassins to determine the destiny of their nation. We will fight to defend this freedom, and we will prevail.

Victory in this struggle will not come easily or quickly, but we have reason to hope. Iraqis have demonstrated their courage and their determination to live in freedom, and that has inspired the world. It is the same determination we saw in Kiev's Independent Square, in Tbilisi's Freedom

Square, and in this square almost 17 years ago.

We must be equally determined and also patient. The advance of freedom is the concentrated work of generations. It took almost a decade after the Velvet Revolution for democracy to fully take root in this country. And the democratic revolutions that swept this region over 15 years ago are now reaching Georgia and Ukraine. In 10 days, Moldova has the opportunity to place its democratic credentials beyond doubt as its people head to the polls. And inevitably, the people of Belarus will someday proudly belong to the country of democracies. Eventually, the call of liberty comes to every mind and every soul. And one day, freedom's promise will reach every people and every nation.

Slovakia has taken great risks for freedom in Afghanistan and Iraq. You have proved yourself a trusted friend and a reliable ally. That is why I recently announced a new Solidarity Initiative for nations like Slovakia that are standing with America in the war on terror. We will help you to improve your military forces so we can strengthen our ability to work together in the cause of freedom. We're working with your Government to make it easier for Slovaks to travel to the United States of America. Hundreds of thousands of our citizens can trace their roots back to this country. Slovak immigrants helped build America and shape its character. We want to deepen the ties of friendship between our people, ties based on common values, a love of freedom, and shared belief in the dignity and matchless value of every human being.

The Velvet Generation that fought for these values is growing older. Many of the young students and workers who led freedom's struggle here now struggle to support families and their children. For some, the days of protest and revolution are a distant memory. Today, a new generation that never experienced oppression is coming of age. It is important to pass on to them the lessons of that period. They must learn that freedom is precious and cannot be taken for granted; that evil is real and must be confronted; that lasting prosperity requires freedom of speech, freedom to worship, freedom of association; and that to secure liberty at home, it must be defended abroad.

By your efforts in Afghanistan and Iraq and across the world, you are teaching young Slovaks these important lessons. And you're teaching the world an important lesson as well, that the seeds of freedom do not sprout only where they are sown; carried by mighty winds, they cross borders and oceans and continents and take root in distant lands.

I've come here to thank you for your contributions to freedom's cause and to tell you that the American people appreciate your courage and value your friendship. On behalf of all Americans, *dakujem,* and may God bless you all.

NOTE: The President spoke at 12:17 p.m. in Hviezdoslavovo Square. In his remarks, he referred to President Ivan Gasparovic and Prime Minister Mikulas Dzurinda of Slovakia; Chairman Pavol Hrusovsky of the Slovak Parliament; and Mayor Andrej Durkovsky of Bratislava.

The President's News Conference With President Vladimir Putin of Russia in Bratislava
February 24, 2005

President Bush. Thank you all. I've just had a very important and constructive dialog with my friend. It's great to see—I know Laura was pleased to see Lyudmila Putin as well. We have had, over the past 4 years, very constructive relations, and that's the way I'm going to keep it for the next 4 years as well.

We've had an open and candid exchange of views and positions. In our meeting earlier, I said, "Vladimir, when we get in here, I think people are going to be very interested in this press conference for some reason; I'm not sure why." Perhaps it's because you're a leader of a great nation, and I'm fortunate enough to be one too. But you can see we've drawn quite a crowd here. So I'm looking forward to answering their questions.

We produced a lot of positive results at this meeting. We agreed to accelerate our work to protect nuclear weapons and material, both in our two nations and around the world, and I want to thank you for that. And I want to thank our Defense Ministers for working on that issue as well. Minister Ivanov is here. He and Secretary Rumsfeld have had a very constructive relationship. Our mil-to-mil exchanges are very positive, and I appreciate that. You and I talked about that a couple of years ago. I think they're coming to fruition, which is a very important way to make sure we understand each other better.

We agreed upon new efforts to fight the war on terror, to combat MANPADS and improvised explosive devices, and I want to thank you for that. Vladimir has been a—ever since the—September the 11th, he has clearly understood the stakes that we face. And every time we meet, he is—we have an interesting and constructive strategy session about how to continue to protect our peoples from attack. He is—he has confronted some serious attacks in his country. I know what that means as a fellow leader. I know the strain; I know the agony; I know the sadness; I know the emotion that comes with seeing innocent people lose their lives, and we have shared that. I hope we never have to share it again, that common situation.

We agreed that Iran should not have a nuclear weapon. And I appreciate Vladimir's understanding on that issue. We had a very constructive dialog about how to achieve that common goal. We agreed that North Korea should not have a nuclear weapon. And again, this is an area where we're working closely together as two nations of the five nations that are involved with North Korea.

We agreed to accelerate negotiations for Russia's entry into the WTO. I stated that the other day in Brussels. We talked about ways to make—to move this process forward. We agreed to cooperate in the field of energy. I told Vladimir that Secretary Bodman would be our main representative on this issue, and I look forward to constructive dialog—hearing about constructive dialog on energy.

We agreed to work together to find peace in the Middle East. Russia's a part of the Quartet, and they played a constructive role in establishing the roadmap. And now we look forward to working together to achieve peace.

This meeting also gave me an opportunity to share my belief that it's in my country's interest that Russia be a strong and viable partner with the United States. It's very important that we establish not only a working relationship but that we understand that in the 21st century, strong countries are built by developing strong democracies. And so we talked about democracy. Democracies always reflect a country's

customs and culture, and I know that. Yet democracies have certain things in common: They have a rule of law and protection of minorities, a free press and a viable political opposition.

Russia has made tremendous progress over the last 15 years. It's an amazing transformation of the nation. And I applaud President Putin for dealing with a country that is in transformation. And it's been hard work. I was able to share my concerns about Russia's commitment in fulfilling these universal principles. I did so in a constructive and friendly way. I reaffirmed my belief that if—that it is democracy and freedom that bring true security and prosperity in every land.

We may not always agree with each other, and we haven't over the last 4 years, that's for certain. But we have found a lot agreement—a lot of common ground, and the world is better for it. Even though we didn't agree on certain issues, if you really think about what we have done the last 4 years, and what we want to do during the next 4 years, the common ground is a lot more than those areas where we disagree. And by working together, this world will be a safer, freer, and more prosperous place.

Mr. President, it's great to see you again. Thank you.

President Putin. First of all, I would like to say that my meeting with the President of the United States has been a friendly one, has taken place in a very trustful atmosphere. This has been a dialog of interested partners, which became clear right away.

In the course of our meeting, starting from the first minutes of our dialog, we had a substantive discussion of the entire international agenda. The President has mentioned the key items in our dialog. We share a position on the status of the Russia-U.S. relationship. It is true that over the past few years, through joint efforts, we have been able to accumulate a unique—[*inaudible*]—cooperation. We are engaged in a constructive political dialog, and we are discovering new opportunities for joint business, cultural, and scientific initiatives.

It is obvious that Russia and the U.S. share long-term interests, genuine strategic goals, and certainly a great degree of responsibility before our own people and people of other countries. We talked about international security. This reality is not affected by the circumstances of the moment or the consolidation of political interests. Therefore, we can see no alternative to the consistent strengthening of the Russia-U.S. relationship.

In the course of this summit, we have agreed upon specific guidelines that will navigate us through the process of cooperation in the forthcoming 3 years. This has to do primarily with addressing the threats and challenges of today—first and foremost, fighting terrorism. We have agreed to better coordinate our efforts on these fronts, including through the Russia-U.S. working group on counterterrorism, which has existed 5 years. Among the highlighted priorities have been the neutralization of the systems of financing and recruiting of terrorists and work on identifying terrorist cells, et cetera.

We are ready to jointly work on the pressing problem of stemming the illicit trade in MANPADS. Our colleagues today agreed upon this in very concrete terms. I'd like to note that on the sidelines of this summit, the Russian Minister of Defense, Sergey Ivanov, and Secretary of State Condoleezza Rice signed a Russian-U.S. arrangement on cooperation in enhancing control over MANPADS. It is important to neutralize the attempts to proliferate weapons of mass destruction.

We talked a lot about nonproliferation. We talked a lot about the situation in Iran, about the situation in Iran—North Korea, and we share a common opinion in this regard, and we are taking a similar approach. We should put an end to the proliferation of missiles and missile technology. The proliferation of such weapons is not

in the interest of specific countries or the international community in general.

We have also exchanged our views on the situation in Iraq, in the Middle East. Russia and the U.S. have at their disposal some solid opportunities for normalizing the situations in places where regional crises take place. We intend to actually use this potential.

We have paid great attention to economic cooperation including, as has already been said, the possible accession of Russia to the WTO. We have reaffirmed our intention to continue our search for mutually acceptable solutions of the outstanding problems. Russia is ready for a reasonable compromise, but this compromise should not go beyond the usual responsibilities assumed by countries acceding to the WTO. In the presence of the press, I would like to thank the President of the United States for the serious message that our negotiators noticed in the course of negotiations, a message aimed at resolving all the problems that stand in the way of Russia's accession to the WTO. I'm sure that not only Russian economy but also the U.S. economy are interested in the positive outcome.

We have also discussed the issues relating to Russia-U.S. energy dialog. We've had some progress in this area, some good progress. We're going to continue this dialog. Some issues have been positively resolved in terms of expanding the operation of U.S. companies in Russian energy market. ConocoPhillips, as you know, has bought a stake in Lukoil, one of the major Russian oil companies. It bought a stake that used to belong to the Russian state. This happened recently, and I'm confident that this will be a success story both for Russian and U.S. partners. Another important and interesting opportunity is our cooperation in the supplies of liquefied natural gas. In the year 2010, 2011, a large amount of liquefied natural gas can be supplied from Russia to the United States.

Our investment cooperation is becoming generally bilateral. The first steps, but confident steps, are being made by Russian companies that are starting to invest their capital into American economy.

We have also discussed the status and prospects of Russia's cooperation in science, high-tech, in particular, in the exploration of outer space.

In conclusion, I would like to say that I highly appreciate the outcome of this summit. Later this year, we are going to meet a few more times within the framework of various international fora. I would like to take this opportunity to thank the President of the United States, who has accepted the invitation to participate in the festivities on the occasion of the anniversary of the great victory in May—on May 9th in Moscow. This is a natural manifestation of respect of historic memory and the memory of the alliance that bonded our two countries in the years of the Second World War.

Thank you.

Russia-U.S. Relations/Democracy

Q. Mr. President, 4 years ago when you first met with President Putin, at a time some in the world were questioning his commitment to democracy, you reassured a lot of those critics by saying that you had looked into his soul and saw a man that you found trustworthy. You've just listed some concerns here today. I'm wondering if you could unequivocally and without reservation repeat that statement today?

And Mr. Putin, I'd like to ask you to address critics in the United States and elsewhere who saw Mr. Gorbachev and Mr. Yeltsin as taking early steps on the path to democracy and worry that you have reversed course.

President Bush. One thing I—that gave me comfort in making the statement I made in Slovenia was that Vladimir said, "When I agree with you, I'll agree with—I'll tell you, and when I disagree with you, I'll tell you." In other words, we'll have a very frank and candid and open relationship. And that's the way it's been. There

was no doubt in my mind what his position was on Iraq. He didn't kind of hedge. He didn't try to cloud up the issue. He made it abundantly clear to me that he didn't agree with my decision. And that's an important part of having a trustworthy relationship, a relationship where, when a person tells you something, you know he means what he says and yes means yes and no means no. Sometimes in politics, yes means "maybe" and no means "if." This is the kind of fellow who, when he says yes, he means yes, and when he says no, he means no.

And we had a discussion about some decisions he's made. He's had some interest in the decisions I've made. And that's a very important dialog. And as I said—I'll say it again—I think it's very important that all nations understand the great values inherent in democracy, rule of law and protection of minorities, viable political debate. And when I brought that—I don't want to put words in—Vladimir can speak for himself on this issue, but all I can tell you is he said—yes meant yes, when we talked about values that we share.

President Putin. First of all, I would like to say that we discussed these issues at length, face to face, just the two of us. Russia has made its choice in favor of democracy. Fourteen years ago, independently, without any pressure from outside, it made that decision in the interests of itself and interests of its people, of its citizens. This is our final choice, and we have no way back. There can be no return to what we used to have before. And the guarantee for this is the choice of the Russian people themselves; no, guarantees from outside cannot be provided. This is impossible. It would be impossible for Russia today. Any kind of turn towards totalitarianism for Russia would be impossible, due to the condition of the Russian society.

As far as the questions that are being discussed among our partners in the media, I can only repeat what has been said by the President of the United States. First, we are not going to make up, to invent any kind of special Russian democracy. We are going to remain committed to the fundamental principles of democracy that have been established in the world. But of course, all the modern institutions of democracy—the principles of democracy should be adequate to the current status of the development of Russia, to our history, and our traditions.

There is nothing unusual here, either. In every country, these overall principles are embodied in this or that way. In electoral law, we can compare the United States and a number of European countries. In the operation of major democratic institutions, there may be some differences, but the main, fundamental principles are going to be implemented in the form in which they have been developed by the modern, civilized society.

As far as the preceding period in our development, no doubt the credit that can be given to that period in the development of the Russian Federation for the fact that the previous generation of politicians, despite all the difficulties that have arisen due to changes in Russia, they have given the main thing to the Russian people—that is, freedom.

But I believe that a lot of people will agree with me, the implementation of the principles and norms of democracy should not be accompanied by the collapse of the state and the impoverishment of the people. We believe and I personally believe that the implementation and the strengthening of democracy on the Russian soil should not jeopardize the concept of democracy. It should strengthen statehood, and it should improve living standards for the people. It is in this direction that we're going to act.

Q. First of all, I wanted to ask another question, but we have an interesting conversation now. Therefore I'm going to ask about the following: It seems to me that you have nothing to disagree about. The regimes that are in place in Russia and

the U.S. cannot be considered fuller democratic, especially when compared to some other countries of Europe, for example—for example, the Netherlands. It seems to me that as far as Russia is concerned—[*inaudible*]—everything is clear, more or less. But as far as the U.S. is concerned, we could probably talk at length. I am referring to the great powers that have been assumed by the security services, due to which the private lives of citizens are now being monitored by the state. This could be explained away by the consequences of September 11th, but this has nothing to do with democratic values. How could you comment on this? I suggest that you can probably agree—that you can probably shake hands and continue to be friends in future.

President Bush. I live in a transparent country. I live in a country where decisions made by Government are wide open, and people are able to call people to—me to account, which many out here do on a regular basis. Our laws and the reasons why we have laws on the books are perfectly explained to people. Every decision we have made is within the Constitution of the United States. We have a Constitution that we uphold. And if there is a question as to whether or not a law meets that Constitution, we have an independent court system through which that law is reviewed.

So I'm perfectly comfortable in telling you, our country is one that safeguards human rights and human dignity, and we resolve our disputes in a peaceful way.

President Putin. I would like to support my American counterpart. I'm absolutely confident that democracy is not anarchy. It is not the possibility to do anything you want. It is not the possibility for anyone to rob your own people. Democracy is, among other things, and first and foremost, the possibility to democratically make democratic laws and the capability of the state to enforce those laws.

You have cited a curious example, the Netherlands. The Netherlands is a monarchy, after all. I have no doubts about the democratic nature of that country. That is certainly a democratic nation, but this is very different from the United States and Russia.

There are great differences between Russia and the U.S. as well. If we talk about where we have more or where we have less democracy, is not the right thing to do. But if we talk about how the fundamental principles of democracy are implemented in this or that historic soil, in this or that country, is an option; it's possible. This does not compromise the dignity of the Netherlands or Russia or the U.S.

Q. [*Inaudible*]—on some of the decisions he has made on his democratic institutions, or have you just agreed to disagree? And, President Putin, did anything President Bush said to you today prompt you to reconsider some of those decisions?

President Bush. I think the most important statement that you heard and I heard was the President's statement, when he declared his absolute support for democracy in Russia, and they're not turning back. To me, that is the most important statement of my private meeting, and it's the most important statement of this public press conference. And I can tell you what it's like dealing with the man over the last 4 years: When he tells you something, he means it.

He asked what some of my concerns were, and he explained answers. I told him that it was very important that capital see rule of law, that there be stability, there not be any doubt about whether or not—if somebody invests, whether or not the laws change. And I think Vladimir heard me loud and clear, and he explained why he made decisions he made.

But we had very frank discussions about a variety of issues. And the operative—again, the operative statement, the summary statement that I think is important for people to hear in our countries, precisely his opening statement to King's [John King, Cable News Network] question—

speaking about monarchies. Anyway—get it? [*Laughter*] It's late in the trip. [*Laughter*] Which is, firm belief in democracy. And I appreciate that.

President Putin. I have already mentioned that we have paid a lot of attention to these issues. I get the impression that sometimes the public in the now partner countries do not have the full knowledge and, consequently, do not have the full understanding of what is taking place in the Russian Federation. Naturally, within our countries, there are people who are in favor and there are those who are opposed to the decisions that are being made—for example, the decision on the new procedure for the election of regional leaders in the Russian Federation.

But those who are opposed are richer than those who are in favor. They have the opportunity to spread their opinion in the media, and we often do not pay the attention to that. I'd like to draw your attention to the fact that the leaders of the regions of the Russian Federation will not be appointed by the President. Their canvasses will be presented, will be submitted to regional parliaments that are elected through secret ballot by all the citizens. This is, in essence, a system of the electoral college, which is used, on the national level, in the United States, and it is not considered undemocratic, is it?

We discussed these issues at length and some of the ideas—I wouldn't say "advice"—but some of the ideas that I heard from my partner, who I respect a lot. And I believe that some of his ideas could be taken into account in my work, and I will pay due attention to them, that's for sure. Some other ideas, I will not comment on. Thank you.

Freedom of the Press

Q. To follow up on the issue of democratic institutions, President Bush recently stated that the press in Russia is not free. What is this lack of freedom all about? Your aides probably mentioned to you that our media, both electronic and our printed media, print full coverage of the manifestations and protests in our country. Our regional and national media often criticize the Government institution. What about you? Why don't you talk a lot about violations of the rights of journalists in the United States, about the fact that some journalists have been fired? Or do you prefer to discuss this in private with your American colleague?

President Bush. I don't know what journalists you're referring to. Any of you all still have your jobs? No, I—look, I think it's important any viable democracy has got a free and active press. Obviously, if you're a member of the Russian press, you feel like the press is free. And that's—feel that way? Well, that's good. [*Laughter*] But I talked to Vladimir about that. And he wanted to know about our press. I said, nice bunch of folks. And he wanted to know about, as you mentioned, the subject of somebody getting fired. People do get fired in American press. They don't get fired by Government, however. They get fired by their editors, or they get fired by their producers, or they get fired by the owners of a particular outlet or network.

But a free press is important. And it is an important part of any democracy. And if you're a member of the press corps and you feel comfortable with the press in Russia, I think that is a pretty interesting observation for those of us who don't live in Russia to listen to.

But no question, whether it be in America or anywhere else, the sign of a healthy and vibrant society is one in where there's an active press corps. Obviously, there has got to be constraints. There's got to be truth. People have got to tell the truth, and if somebody violates the truth, then those who own a particular newspaper or those who are in charge of particular electronic station need to hold people to account. The press—the capacity of the press to hold people to account also depends on their willingness to self-examine at times

when they're wrong. And that happens on occasion in America. And that's an important part of maintaining a proper relationship between Government and press. I can assure you that the folks here are constantly trying to hold me to account for decisions I make and how I make decisions. I'm comfortable with that. It's part of the checks and balances of a democracy.

And so I'm glad to hear your editorial comment, so to speak, on your comfort with the situation of the press corps in the Federation of Russia.

President Putin. First of all, what do you mean when you say I keep silent—or we keep silent about this or that problem? First of all, I'm not the minister of propaganda. Second, we discuss all issues in absolute openness. As George said, today we discussed this issue, as well, with regard to Russia and the United States. But what is absolutely obvious is that in the United States there are a lot of mechanisms to uphold the freedom of the press. And as far as the fact that there is some kind of friction between the media and the Government, there is an ongoing debate, an ongoing critical debate, going on. There is a lot of criticism coming from the media with respect to the Government. This is an manifestation of democracy. What you mentioned about the comments in the media of the actions of the Russian Government is testimony to the fact that we do have freedom of the press. Although we're being criticized often of that, this is not the case.

When we discuss these issues absolutely frankly, we, and I, in particular, do not think that this has to be pushed to the foreground, that new problems should be created from nothing. And I do not think that we should jeopardize the Russian-American relationship, because we're interested in the development of this relationship. We are paying close attention to all the comments of the press or opposing forces, but our responsibility is to—in spite of all these problems, of which there are plenty, our responsibility is to positively develop the Russian-American relationship.

I would like to thank the President of the United States for his constructive dialog that we've had today. Thank you very much.

NOTE: The President's news conference began at 5:50 p.m. in Constitution Hall at Bratislava Castle. In his remarks, he referred to Lyudmila Putina, wife of President Putin. President Putin spoke in Russian, and his remarks were translated by an interpreter.

Joint Statement by President George W. Bush and President Vladimir V. Putin: Russia's Accession to the World Trade Organization
February 24, 2005

The United States and Russia are committed to working together to complete our bilateral negotiations for Russia's accession to the World Trade Organization (WTO) in 2005. The results of the negotiations will enhance commercial opportunities between our two countries, support economic reforms that Russia has made a priority, and further integrate Russia into the world economy. Our trade ministers have made progress in pursuing our bilateral negotiations, and we have instructed them to accelerate these efforts.

Russia and the United States will continue to work closely in bilateral and multilateral negotiations to resolve remaining issues in ways that benefit both countries. The rules-based system of the WTO will further strengthen our economic relationship in all areas, including

agriculture, manufacturing, services, and the improved protection and enforcement of intellectual property rights.

We will work to identify areas for progress in our bilateral negotiations that will give momentum to Russia's accession to the WTO and to Russia's economic reform program.

NOTE: An original was not available for verification of the content of this joint statement.

Joint Statement by President George W. Bush and President Vladimir V. Putin: U.S.-Russian Energy Cooperation
February 24, 2005

Cooperation on energy issues remains an area of great promise for U.S.-Russian relations. We will work further to realize the vision for our energy cooperation in all aspects described in our statement in May 2002, including through the mechanisms of the Commercial Energy Dialogue and the Energy Working Group. Accordingly, we have instructed our ministers to continue their energy dialogue, concentrating on ways to enhance energy security, diversify energy supplies, improve the transparency of the business and investment environment, reduce obstacles to increased commercial energy partnerships, and develop resources in an environmentally safe manner.

We call upon our Ministers of Energy and Commerce to develop recommendations, which we can support at one of our upcoming meetings, on how to further intensify and develop our energy dialogue. Those recommendations will focus on identifying barriers to energy trade and investment, promoting initiatives to remove them on the basis of predictability, fairness and law, and suggesting specific proposals for cooperating in developing energy trade and investment.

We will promote the creation of transparent tax, legal, regulatory, and contractual conditions for our companies' cooperation, and support Russia's pipeline system development, which will create the preconditions for increasing deliveries of oil and gas export, including to the U.S. market.

We are interested in increasing U.S. commercial investment in Russia, so as to create additional capacity for liquefied natural gas (LNG) in Russia, and also with the aim of increasing LNG exports to U.S. markets. We would welcome increased Russian oil exports to the world market and an increased presence of imports from Russia in the United States. We would also welcome expanding mutual investments in the energy sectors of both countries.

The initiation of several concrete projects should be targeted for no later than 2008.

NOTE: An original was not available for verification of the content of this joint statement.

Joint Statement by President George W. Bush and President Vladimir V. Putin: Nuclear Security Cooperation
February 24, 2005

The United States and Russia will enhance cooperation to counter one of the gravest threats our two countries face, nuclear terrorism. We bear a special responsibility for the security of nuclear weapons and fissile material, in order to ensure that there is no possibility such weapons or materials would fall into terrorist hands. While the security of nuclear facilities in the U.S. and Russia meet current requirements, we stress that these requirements must be constantly enhanced to counter the evolving terrorist threats. Building on our earlier work, we announce today our intention to expand and deepen cooperation on nuclear security with the goal of enhancing the security of nuclear facilities in our two countries and, together with our friends and allies, around the globe.

To this end the United States and Russia will continue and expand their cooperation on emergency response capability to deal with the consequences of a nuclear/radiological incident, including the development of additional technical methods to detect nuclear and radioactive materials that are, or may be, involved in the incident.

We will work together to help ensure full implementation of UN Security Council Resolution 1540 and early adoption of an International Convention on Nuclear Terrorism and the amended Convention on Physical Protection of Nuclear Material.

U.S. and Russian experts will share "best practices" for the sake of improving security at nuclear facilities, and will jointly initiate security "best practices" consultations with other countries that have advanced nuclear programs. Our experts will convene in 2005 a senior-level bilateral nuclear security workshop to focus increased attention on the "security culture" in our countries including fostering disciplined, well-trained, and responsible custodians and protective forces, and fully utilized and well-maintained security systems.

The United States and Russia will continue to work jointly to develop low-enriched uranium fuel for use in any U.S.- and Russian-design research reactors in third countries now using high-enriched uranium fuel, and to return fresh and spent high-enriched uranium from U.S.- and Russian-design research reactors in third countries.

The United States and Russia will continue our cooperation on security upgrades of nuclear facilities and develop a plan of work through and beyond 2008 on joint projects. Recognizing that the terrorist threat is both long-term and constantly evolving, in 2008 our countries will assess the joint projects and identify avenues for future cooperation consistent with our increased attention to the security culture in both countries.

We have established a bilateral Senior Interagency Group chaired by Secretary of Energy Bodman and Rosatom Director Rumyantsev for cooperation on nuclear security to oversee implementation of these cooperative efforts. A progress report will be due on July 1, 2005, and thereafter on a regular basis.

NOTE: An original was not available for verification of the content of this joint statement.

Statement on Pope John Paul II
February 24, 2005

On behalf of all Americans, Laura and I send our heartfelt best wishes to Pope John Paul II. The Holy Father is in our thoughts and prayers, and we wish him a speedy recovery and return to the service of his church and all humanity.

The President's Radio Address
February 26, 2005

Good morning. This past week I was in Europe, where I had good discussions with our friends and allies about how to meet the mutual challenges we face, spreading freedom and democracy, defeating terrorism, expanding prosperity, and promoting peace. In our meetings, we reaffirmed the vital importance of the transatlantic alliance for advancing these common interests and values.

Now that I'm back home, I'm eager to move ahead with one of my top domestic priorities, strengthening and saving Social Security. I have already met with tens of thousands of you in nine States to discuss this important issue. During the recent congressional recess, many Senators and Congressmen have held their own townhall meetings to discuss Social Security reform with their constituents. For example, Senator Rick Santorum hosted forums all across Pennsylvania this week, and Wisconsin Congressman Paul Ryan held nearly three dozen listening sessions in his district. I am pleased with the progress of the national discussion on this issue, and I look forward to hearing everyone's ideas when the Congress returns.

Meanwhile, I'll be visiting New Jersey and Indiana next week, and I plan to keep traveling across the country to talk about Social Security. I will continue to reassure those of you born before 1950 that your Social Security benefits will not change in any way. You will receive your checks, and that is a fact.

I will also make clear to younger workers that Social Security is heading toward bankruptcy. Massive numbers of baby boomers, like me, will soon begin to retire. People are living longer, and benefits are scheduled to increase dramatically, and fewer workers will be paying into the system to support each retiree. For you younger workers, the current system has made promises that it cannot keep, and that is also a fact. Every year we wait to address this problem will make any eventual solution more painful and drastic, and we will saddle our children and grandchildren with an ever-greater burden. We need to act now to fix Social Security permanently.

As we fix Social Security, we must also make it a better deal for younger workers. I have proposed allowing you to set aside part of your payroll taxes in personal retirement accounts. These accounts would be voluntary; the money would go into a conservative mix of bond and stock funds that would have the opportunity to earn a higher rate of return than anything the current system could provide. And that money would provide a nest egg to supplement your traditional Social Security check or to pass on to your children. Best of all, it would replace the empty promises of the current system with real assets of ownership.

I have said repeatedly that all options are on the table for strengthening Social Security, with the exception of raising the payroll tax rate. I'm willing to listen to any good idea. And I will work in good faith with Members of Congress from both parties on this issue.

Some in Washington want to deny that Social Security has a problem, but the American people know better, and you have the power to determine the outcome of this debate. I encourage all Americans, particularly our younger workers, who have so much at stake, to ask your elected leaders what they intend to do to keep the promise of Social Security alive in the 21st century. Saving Social Security will not be easy, but if you make clear that you expect your leaders to confront problems head on, not pass them on to future generations, I am confident that we will put aside partisan politics in Washington and meet our duty to you, the American people.

Thank you for listening.

NOTE: The address was recorded at 8:20 a.m. on February 25 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on February 26. The transcript was made available by the Office of the Press Secretary on February 25 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks at a Dinner for the National Governors Association Conference
February 27, 2005

It's always a pleasure to host the Nation's Governors here in Washington. Laura and I are proud to have you here for our first state dinner of my second term.

It's a joyous occasion, even made more so by the fact that I learned that the Blancos, Governor Blanco and her husband, are celebrating their 40th wedding anniversary tonight.

Ever since a former Governor of Virginia, Thomas Jefferson, lived in this house, many of our Presidents have first served as Governors. And there's a reason why. The experience of running a State government, of pulling together a capable team, of setting an agenda and working with an elected legislative body, is critical to the success of any administration.

My 6 years as Governor of Texas have been invaluable to me as I carry out my duties as the Presidency. And because I know firsthand how—the valuable experience Governors get, I've asked a lot to serve in my Cabinet. I had six Governors in my first Cabinet. I am pleased that Mike Johanns—Johanns—[*laughter*]—and Mike Leavitt—[*laughter*]—have agreed to serve in my second term. I'm proud you guys are here.

When our Founders devised our Federal system two centuries ago, they recognized, in Jefferson's words, that "our country is too large to have all its affairs directed by a single government." The President and the Governors are partners in our great enterprise, and that means we share great responsibilities. Together, we'll work to secure our homeland, to protect our environment, to strengthen our economy. Together, we will work to ensure that every child gets a good education and good health care. And together, we'll work to make sure that we care for those in our society who hurt and who need help. I'm proud of our work together during the last 4 years. I look forward to working with you for the next 4 years.

I want to ask you to join me in a toast to our partners, the Governors and the administration, in building a more perfect

Union. To the Governors of the United States.

NOTE: The President spoke at 8:06 p.m. in the State Dining Room at the White House. In his remarks, he referred to Gov. Kathleen Babineaux Blanco of Louisiana and her husband, Raymond Blanco; Agriculture Secretary Mike Johanns and his wife, Stephanie Johanns; and Health and Human Services Secretary Michael O. Leavitt and his wife, Jacalyn S. Leavitt. The transcript of these remarks was released by the Office of the Press Secretary on February 28.

Remarks to the National Governors Association Conference
February 28, 2005

The President. Thank you. Please be seated. Didn't take you long to get back. [*Laughter*] Hope you enjoyed that as much as I did last night. It was—Marvin was great.

I'd like to have a few—I'll make a few opening comments, and then I'll be glad to field some questions. First, I want to thank Governor Warner and Governor Huckabee for leading the NGA; I appreciate the job you've done. I thought the messaging in our local newspapers here was very positive: "Governors coming together to try to figure out how to solve common problems." It's a good message for all of us here in Washington to hear. This town can be fairly bitter at times, and I remember fondly my days of working with people in both parties to try to get positive things done for my State. I hope that the spirit in which you all have come to Washington spreads throughout the Nation's Capital.

I appreciate the members of my Cabinet who are here. Your name is?

Secretary of Agriculture Mike Johanns. Johanns. [*Laughter*]

The President. It takes a while to get to know every member of the Cabinet. [*Laughter*] And Mike Leavitt and Chertoff—oh, there you are. Good, yes. I appreciate—I hope you find these folks as candid and as bright as I have found them. I really appreciate all three members of my Cabinet willing to come and serve in Washington. As you know, your administration can be defined by who you surround yourself with, and I've surrounded myself with good, capable people—and I hope you found that to be the case—candid, open people that are interested in working with our Governors.

And we've had some challenges that we have faced together. Our economy, as you know, got rocked by a recession and then an attack and corporate scandals. But I'm pleased to know that your budgets are improving, that revenues are on the rise. That's because the economy is growing, and we're adding jobs. And the fundamental question is, how do we keep the economic growth alive? I spend a lot of time thinking about that here in Washington. I brought some ideas forward to the Congress, such as making sure the tax relief that we passed is permanent, that people are able to predict their tax rates in a better way so that they can plan. Part of making sure the entrepreneurial spirit is strong is so there's a kind of certainty. And we're working with Congress to make sure there's certainty.

The Tax Code, itself, needs to be reformed. I think the Tax Code is one that inhibits the flow of capital and growth. And so I've called upon former Senators Mack and Breaux to bring forth some ideas about how to simplify the Tax Code to make it more entrepreneurial-friendly. That report should come out this summer. It will be an interesting challenge, but it's one that

is a necessary challenge for Congress to work to simplify the code.

We've started with legal reform here. I hope—I encourage you all in your own States to do the same thing. It turns out America is one of the most litigious countries in the world, and that makes it hard to compete in a global society. We are at a competitive disadvantage when we sue each other so much. And we've got a good class-action bill out of the House and the Senate. We're working on asbestos reform, and I'm working hard to create a consensus that the scales of justice ought to be balanced. And I think a lot of people will tell you they're not balanced now. So we want to work here in Washington on legal reform; we hope you do.

I'll continue to work to open up markets and, at the same time, enforce our rules to make sure the playing field is level. It's good for your farmers that they're selling products overseas. It's good for your entrepreneurs that they can open up markets. What's not good is when the rules are unfair. And so we'll continue to work to enforce laws on the books.

We need an energy plan—we've got an energy plan; we need an energy bill. And I want to thank you for your support of the Clear Skies legislation. That will help some of you who are having trouble meeting your clean air requirements to do so without affecting your economies. And I want to—I asked you to clap a couple of times during dinner last night. [*Laughter*] I appreciate you—thank you, Joe; yes, it was a good singer.

Look, what I'm telling you is, we're going to deal directly with the twin deficits—the trade deficit. And the best way to deal with that is to make America the best place in the world to do business. By working to sustain economic growth, you're also working to make sure this is a good place to do business. That's the best way to deal with one aspect of the twin deficits.

And the other part of the twin deficit, of course, is the budget deficit. And you've seen our view, our attitude about that. And so I presented a good, lean budget to the Congress. It sets priorities; it meets priorities. It, in essence, does what you do. It says, "If a program isn't working, don't fund it, or if it duplicates efforts, streamline."

And as you know, we have—we're working with our Governors to figure out ways to deal with not only discretionary spending issues but mandatory spending issues, such as Medicaid. We want Medicaid to work. We want poor children covered by SCHIP. But we also recognize that the system needs to be reformed, and we want to work with you to do so. There's no better group of people to work with than the Governors. The Governor is on the frontline of Medicaid, I know full well. We're worried about intergovernmental transfers, and so we put that on the table for discussion, so that the system works the way it's supposed to work.

We want to work with you as well on education matters. And I want to thank Governor Warner for leading the charge for high standards coming out of high schools. It was an appropriate and important message. Some in Congress may want to try to undermine No Child Left Behind. Forget it, we're not going to let them do it, because it's working. And I want to thank you all for implementing No Child Left Behind, using the powers of the—that the Federal—the flexibility the Federal Government has given you to achieve what we all want, which is an educated America. And the hopeful thing is, is that the achievement gap is closing in America. How do we know? Because we measure. So I want to congratulate you for the initial stages of making sure the education system works fully. And I look forward to working with the Governors on implementing ideas about how to make sure the high school systems work.

We want to work with you on the Workforce Investment Act reform. And we train about—I think we spend about 4 billion a year and train 200,000 people. I think

we can do a little better job than 200,000 people being trained with 4 billion a year. And so we want to work with our Governors to figure out ways to enhance flexibility, to get the job done, which is to train people for the jobs of the 21st century, and to utilize the fantastic community college systems that you all have helped build all around the country.

We want to work with you on health issues. One of the things that we have done is expand community health centers. I hope you felt the impact in, particularly, your poor counties and poor neighborhoods by the expansion of community health centers. We've expanded or modernized some 630 of them; we plan to do 700 more this year. It's a fantastic way to help take the pressure off your emergency rooms.

I'm a big believer in health savings accounts, and I hope that you all look at health savings accounts as a way for small-business owners to be able to better afford insurance for their employees. It is a great way to enhance consumer participation in the medical marketplace and, at the same time, help small businesses address costs.

I believe in association health plans that will allow small businesses to aggregate together, to pool risk, and to be able to buy insurance—to pool risk across jurisdictional boundaries. Now, I understand there are some issues. There are some people in your respective States, people who might have got a pretty good lock on selling insurance, that don't like this idea. But the objective is affordable insurance. And so I want to work with Congress to allow association health plans to expand.

We've got an issue when it comes to medical liability reform. I can remember talking to ob-gyns from a lot of States. I'm trying to look around for Governors, particularly in some States that are in particular need of medical liability reform. I've come to the conclusion that this is a national issue. When I first got here, I said the States can handle it—until you look at what the cost of defensive medicine—what it costs to the Federal budget. It costs us billions of taxpayers' money. And I've concluded this is a national issue, and I'm working with Congress to get out a reasonable bill on medical liability reform. It's necessary if you believe that medicine ought to be affordable and available, because we've got a problem. When you've got ob-gyns being run out of business in America, you've got a problem in your States, and you know that. And so I look forward to taking on this issue again at the Federal level.

A couple of other things I want to say, and then I'll answer some questions. Some of you are probably wondering why I took on the Social Security issue. After all, it had been called the third rail of American politics. I am because the demographics have changed dramatically, and you're beginning to see it in your States. You're seeing it through Medicaid. You know about it in Medicare. And of course you know about it in Social Security because most of us are baby boomers, and we're fixing to retire, and there's a lot of us. And yet we've been promised bigger benefits than the previous generation, and we're living longer.

So you've got baby boomers fixing to retire, who are living longer, who've been made a bigger promise than the previous generation, and the Government can't afford it. There's not enough workers contributing in the system. And we need to do something about it now. And I'm going to—I'm coming to your States—I'm coming to a lot of States between now and whenever Congress decides to take this issue on, head-on—to remind people not only we have a problem, but we have an obligation to fix it. And I'm looking forward to this debate. I think this is a healthy use of our time in Washington, to see big problems and come together and fix them.

Now, the Medicare bill hasn't taken an effect yet. But it too suffers from the same demographic issue, because you've got a lot of baby boomers that are going to retire,

and the fundamental question is, how do we deal with it? My attitude—and I've told Congress, "Let the reforms that we've just passed kick in." They hadn't kicked in yet—2006 is when you begin to have prescription drugs become available to seniors, and 2006 is when you're going to see drugs begin to replace—over time, drugs begin to replace hospital stays. See, the old system would pay for a heart surgery but not a dime for the prescription drugs that might prevent the heart surgery from being needed in the first place. It was very cost-ineffective. Nor did it offer our seniors a modernized system. And so we look forward to working with you and Congress on Medicare reform after we solve the Social Security problem.

And finally, I urge you to continue to take advantage of the Faith-Based Initiative. I believe that the best way to cure many of society's ills is to surround them with love, and faith-based groups exist purely because they want to love somebody or do love somebody. And we're working really hard to make sure that Federal money is accessible on a competitive basis to our faith-based programs around the country.

I've traveled our country a lot, and I found these just fantastic institutions that are changing America one soul at a time. And I urge you, if you don't have an office, to set up a faith-based office and take advantage of the fantastic opportunity available to—that we're trying to make available to the faith community.

You know, not every problem is going to be solved by a faith-based group, but at least you ought to include faith-based groups in the mix. It makes sense to me to make sure that taxpayers' money is accessible on a competitive basis. And it's all aimed—the program is all aimed at helping change this country for the better.

Let me talk about foreign policy right quick. I know a lot of you have got Guard troops in Iraq. I want to thank you for supporting those troops. Whether you agree with my decision or not, you've done your duty as commanders in chief to support the troops, and I appreciate it a lot. But more importantly, they appreciate it, and their families appreciate it.

I thought the hug at the State of the Union helped talk about the mission better than any words could have. And I hope that helped you when you explain to the families in your State what's happening. The gratitude of the Iraqi woman toward the American mom whose son had died was profound, gratitude that the country was free. And freedom is on the march. These are exciting times in our world.

But I want to thank you for doing your duty and supporting those kids, men and women, who are over in harm's way. We're making progress there. The mission is to get the Iraqis in a position where they can defend themselves. And we'll try to do that as soon as possible, get it done as quickly as we can, and then our troops are coming home with the honor they've earned, as I said in the State of the Union.

I'm looking forward to working with you all. I'm excited about the next 4 years. I've got the energy and the drive and the desire to do the best I possibly can to make America as hopeful and optimistic place as it possibly can be, and I know it can't be done without cooperation with the Governors.

Thank you all.

NOTE: The President spoke at 11:13 a.m. on the State Floor at the White House. In his remarks, he referred to composer Marvin Hamlisch, who performed at a dinner for the National Governors Association Conference the previous night; Gov. Mark R. Warner of Virginia, chairman, and Gov. Mike Huckabee of Arkansas, vice chairman, National Governors Association Executive Committee; former Senators Connie Mack, Chairman, and John B. Breaux, Vice Chairman, President's Advisory Panel on Federal Tax Reform; Gov. Joe Manchin III of West Virginia; and Janet Norwood, mother of Sgt. Byron

Norwood, USMC, who was killed in Iraq on November 13, 2004, and Iraqi citizen and political activist Safia Taleb al-Suhail, both of whom were guests of the First Lady at the President's State of the Union Address on February 2. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks to the White House Faith-Based and Community Initiatives Leadership Conference
March 1, 2005

Thank you all. Thank you for coming. Please be seated. Thanks for coming. Thank you for the warm welcome. It is great to be here with leaders from around our country who are leading our Nation's faith-based and community groups.

I am here to talk about my continued commitment to faith-based and community groups because I'm firmly committed to making sure every American can realize the promise of our country. It is said that faith can move mountains. Here in Washington, DC, those helping the poor and needy often run up against a big mountain—[*laughter*]—called bureaucracy. And I'm here to talk about how to move that mountain so that we can reach out and partner with programs which reach out to people who hurt.

You know, one of the tests of character for America is how we treat the weakest of our citizens. Interesting test, isn't it? What are we doing in Government to help people who need help? Part of the test of Government is to understand the limitations of Government. Government—when I think about Government, I think about law and justice; I really don't think about love. Government has got to find ways to empower those whose mission is based upon love in order to help those who need love find love in society. That's really what we're here to talk about.

I was talking earlier with some of our leaders, and I was reminding them that I think de Tocqueville, the Frenchman who came to America in the early 1800s, really figured out America in a unique way when he said that "Americans like to form association in order to help save lives. Americans formed association in order to channel the individualistic inputs of our society to enable people to serve a cause greater than themselves."

Really, what we're doing is we're carrying on that philosophy today, a vision and philosophy that I think makes America a unique country and gives us, those of us responsible for helping lives, a unique opportunity to empower people, encourage people, partner with people to save lives in America. And that's what we're here to talk about today.

I want to thank the members of my administration who've joined us, because the efforts to partner with faith-based and community programs require a commitment by all of us in the administration, not just the President or not just the people in the White House Office but people throughout Government.

Margaret Spellings—Madam Secretary, thank you for coming. I appreciate you. She's the Secretary of the Department of Education. I see my friend Robert McCallum, who's the Associate Attorney General for the Department of Justice. Thank you for coming, Robert. Hector Barreto is the Administrator for the Small Business Administration. Yes, there is a connection between faith- and community-based groups and business. It's called helping make sure the entrepreneurial spirit

and entrepreneurial know-how reaches every corner of America.

I want to thank David Eisner, the CEO of the Corporation for National and Community Service, for joining us. And I want to thank Stephen Goldsmith, sitting right next to David, who's the Chairman. I want to appreciate everybody else who is here from my administration. Make sure you get back to work right after the speech is over. [*Laughter*]

I appreciate three Members of the United States Congress who have joined us: Congressman Mike Ferguson from New Jersey; Congressman Mark Green from Wisconsin; and Congressman Jim Ryun from Kansas. I'm not interested in jogging—[*laughter*]—if you know what I mean.

I appreciate the leaders in the armies of compassion—one of my favorite phrases, the armies of compassion. It's a strong word, isn't it? I want to thank the generals and sergeants and privates—[*laughter*]—who are here from the armies of compassion. Thank you all for taking time out of your day to come and hopefully be reassured that this initiative is one that has got a lot of momentum and impetus and reassured that we want to help change America.

I appreciate the fact that many in this room have come from many different faiths and traditions. The Faith-Based Initiative is not about a single faith. In this country we're great because we've got many faiths, and we're great because you can choose—whatever faith you choose or if you choose no faith at all, you're still equally American. It's one of the great traditions of America that we will always hold sacred and always should hold sacred.

But no matter what your faith is, we're united in the conviction that to whom much is given, much is expected, and that the liberty and prosperity we enjoy, the great freedom we enjoy in America, with that freedom comes an obligation to reach out to brothers and sisters who hurt. And so I recognize—and the first point I want to make is, I recognize the great work faith organizations are doing in this country. In other words, I stand here in confidence knowing that this initiative makes sense because I'm a results-oriented guy, and faith organizations are achieving results we want.

I just met Curtis Jones. He was an 11-year-old boy from one of our Nation's Capital's rough neighborhoods. And he walked into the doors of UNIQUE Learning Center. A volunteer would tutor and mentor Curtis for the next 7 years. I just asked Curtis about the volunteer. He said he was the local judge. Think about that. It's interesting, isn't it? You've got a really busy person; he's on the bench; and so he decides to tutor Curtis for 7 years, not 7 days, 7 hours, 7 minutes, but 7 years. All those who helped Curtis, particularly the mentor, must have taken great joy when they realized Curtis graduated from Penn State University with a degree in telecommunications. Where are you, Curtis? There you go.

The mentors and the folks at the Learning Center get a lot of credit. As Curtis said, "I wouldn't be here—I wouldn't be where I am today without the Learning Center." But Curtis, never forget that ultimately it was your decision. You made the choice. You decided to receive help and then aim big and get your degree. And I congratulate you. I'm proud of you, as is everybody else. But it's important for people to know there are stories like this all across America. This isn't just a story for Washington, DC; this is a story where lives have been transformed because somebody has put their arm around somebody who hurts, somebody out of a faith-based organization or community-based organization, and said, "What can I do to help you, Curtis? What can I do to make sure that you can, with your choice, have an opportunity to realize the dreams of America?"

And the goal is to bring the healing touch, like Curtis found at the UNIQUE

Center, to lives all across America. That's what we're here to talk about today.

Unfortunately, there are some roadblocks, such as the culture inside government at the Federal, State, and local level that is unfriendly to faith-based organizations. One of the keys to solving a problem and achieving a goal is to recognize roadblocks and then have the will to remove those roadblocks. But there is a cultural problem. You know, it's manifested itself, for example, when the Federal Government denied a Jewish school in Seattle emergency disaster relief because the school was religious. That's an indication that there's a roadblock. We have a cultural problem when FEMA money—we're going out to help lessen the effects of a disaster that hurt—hit, and all of a sudden, the school was denied Federal money because of the nature of the school.

Or for example, the Federal Government—when I came in office, I found out the Federal Government was threatening to cut off funds for an Iowa homeless shelter. The shelter was receiving money from the Federal Government, and the shelter was doing good work. The shelter was helping to meet an objective, which was to provide housing for the homeless, but they were threatening to cut off money because the governing board was not sufficiently secular. Think about that. It kind of defeats the purpose of a faith-based organization, doesn't it, when the Government says, "We will design the board of directors for you." It's a process world we live in, oftentimes, in the Nation's Capital. Instead of focusing on the results, instead of asking the question, "Was this homeless shelter working," they asked the question, "Tell me about the board of directors you've got."

And so today, after 4 years of work, we continue to confront this culture, a culture of process instead of results, head on. And the goal is, over the next 4 years, to change the culture permanently so faith- and community-based organizations will be welcomed into the grantmaking process of Government. That's the goal.

I like to ask questions. The job of a President is to call people and say, "How are we doing?" Part of my job is to be the accountability person in the White House, you know, "Are we making progress?" So let me give you some of the progress that has been made in terms of achieving our goal, which is a hopeful America for every person. Today, 10 Federal agencies have got faith-based offices, 3 of them set up last year. In other words, a lot of money comes out of these different bureaucracies, and in order to make sure people feel comfortable accessing the grantmaking process, and/or that the bureaucracy itself is fair in enabling faith-based organizations to apply, there's an office in these different bureaucracies. You know, Housing and Urban Development has got one; Margaret has got one; McCallum's organization, the Justice Department, has got one.

And so I've not only said, "You must have one," I then asked, to make sure, "How are they working? How are you changing the rules on Federal contracting?" And the answer is universally, "Yes, we have, to make sure that faith-based bidders are not being unfairly shut out of the competition for Federal money." That was the first thing I looked for in these offices, "Tell me whether or not people are allowed to apply for money on an equal basis."

I want to call attention to my friend Jim Towey. Towey is in charge of the Faith-Based Office in the White House. His job is to answer your questions, to hold meetings such as this. His job is to answer my questions. [*Laughter*] He did such a good job, he got a promotion in the White House, so that the man who works full-time to help others feed the hungry can feed his own five children. [*Laughter*] Towey, by the way, interestingly enough—he's probably tired of hearing me say this, but I find it an interesting comment about

our society—Jim Towey was Mother Teresa's lawyer. Think about that. [*Laughter*] Maybe we're a little too litigious in America. [*Laughter*]

Anyway, he did a heck of a job being a lawyer, and he's doing a fine job of judging faith-based groups by their results. And that's important for our society to do. We ought to judge faith-based groups by results, not by their religion. And that's part of the cultural change that we're working on here.

Since 2003, the administration has increased grants to faith-based organizations by 20 percent. That's a positive development. That's the kind of news that I like to hear, particularly when those faith-based programs are changing America one soul at a time. Last year, 10.3 percent of all Federal grants—those are grants coming out of Washington; those are not formula-based grants to States—10 percent of those grants went to faith-based organizations. That's up from 8.1 percent. So I asked Towey, I said, "How are we doing?" He said, "Well, the percentage of grants to faith-based programs has grown, and that's good." Ten percent isn't perfect. Ten percent is progress. That means about $2 billion in grants were awarded last year to religious charities. That's a start. And so, 6 months from now, I'm going to say, "Jim, how are we doing?" Then he's going to call the faith-based offices, and he's going to say, "The President wants to know how you're doing." [*Laughter*]

I also asked the question, "Are we encouraging social entrepreneurship in America?" That's one of my favorite words. Think about it: social entrepreneurship. Oftentimes, you think about entrepreneurship, you think about starting a business or balance sheets or income statements. There's a different kind of income statement in life, and that's the income statement of the heart, the balance sheet of the heart. And so I like to talk about social entrepreneurship, those courageous souls who are willing to take a stand in some of the toughest neighborhoods in America to save lives.

So what we want to know is, what I want to know is, are we helping increase the number of new groups, small groups, first-time appliers for Federal money? Are we doing that? Are we getting beyond those great, courageous faith-based programs that have been providing help for a long period of time? Are we reaching beyond the Salvation Army or the Catholic Charities, the fantastic pillars of the faith-based program? And the answer is, we are.

Let me give you an example. The Peacemaker Family Center in Miami is a small ministry of the Trinity Church that helps low-income and unemployed families. Towey visited there, so he's telling me on the way over in the limousine, that this is a desperate part of Miami—that this program is in a desperate part of Miami. And yet in the midst of desperation is a little beacon, a light. And so the center received a $50,000—seed money, it's called—from the Compassion Capital Fund mini-grant program. It's the first Federal funding the organization had ever received.

And so the pastor there is a woman named Linda Freeman, and says that the funding, the mini-grant, was the turning point for her program—exactly what Jim Towey and I were hoping to hear. Why? Because the center was able to raise—was able to hire a writer for grants with that money. In other words, the center was able to take a leap forward in terms of being able to convince others that the program was worthwhile, leveraged the grant, and has expanded from 3 employees to 25 employees in a quick period of time. That's exactly what we hope happens.

So this little program, in a dark neighborhood, had three employees. Think about that. It was somebody with an idea, somebody who heard a call, not from Government but from a higher authority, to try to help people in need. And so they had

a program with three people. Three people—I mean, it's a small program but working hard to save any life they could save. And so the mini-grant enabled the person, Linda, to leverage, to hire somebody to help in the grantmaking process, to expand their scope, to get more notice. And obviously, more help is coming in, not from the Federal Government, from local government—local charities, so they're now up to 25 people, and they're expanding, helping to achieve the goal, which is to save as many lives as possible. It's the Federal goal, State goal, local goal, universal goal for America to help people realize the great promise of the country.

And so I asked the question, "How many programs like Linda's did we help last—over the last 2 years?" And it's 600—600 programs. So we're beginning to fuel social entrepreneurship. Those are the kinds of questions I will continue to ask, you'll be happy to hear, in order to help us achieve the objective.

So we're making progress. There's more to do. And I want to talk about four steps that we intend to take and will take—not intend to take, will take over the next 4 years to achieve our goal of helping the poor and the needy.

The first step will be to expand individual choice when it comes to providing help for people who hurt. I believe citizens in a free society must make responsible choices about their lives every day. And by giving those who look for help the opportunity and the responsibility to choose the help that's best for them, we'll not only give them better care but we'll put them on the path to productive citizenship.

Now, we are expanding individual choice in programs in Washington. And the first place that we really worked hard to expand that choice is—that my administration has, is in the drug treatment programs. It is—there's all kinds of ways to quit drinking, but one of the most effective ways to quit drinking is for a person to make a choice to go to a place that changes your heart. If you change your heart, then you change your habits.

The idea in the Access to Recovery program was to direct resources to the individual—there's some 100,000 a year who aren't able to get help for their alcohol and drug issues—to let them make the choice about the program that suits their needs. See, that's how it works. It says, "We will fund you, and you choose. If you think a—kind of the classic clinical approach will work for you, give it a shot. If you think the corner synagogue will work for you"—like the synagogue I saw in Los Angeles that's saving life after life after life because of a belief in the Almighty—"give it a shot. But you get to make the choice."

And so, giving an example, there's the Meta House in Milwaukee, is a nonprofit that specializes in treating women addicts. And the people of the Meta House know better than a lot of other type of programs that kicking addiction is never easy, and they've got what they call a "tough love" program. This is their approach. It's not a universal approach; it happens to be their approach, tailormade to what they think will work.

And one mother said, as a result of this approach, of "tough love," admitting you've got an addiction—they make people stand up and say, "I've got an addiction," and they talk about what amends they're going to make—says—and I love this quote—she says, she feels like she has "an angel on her shoulder." Isn't it an interesting description about a tough love addiction program for somebody who says—who's made the choice—in other words, she was given the coupon that's redeemable where she chooses. She chose the Meta House in Milwaukee, Wisconsin. And as a result of that, she said, "I feel like I've got an angel on my shoulder." It's an inspirational program that makes people feel like they've got an angel on their shoulder as they're trying to recover from alcohol or drugs.

And so what I want to do is apply this concept of individual choice beyond just

the alcohol and drug rehabilitation programs, such as mentoring programs or housing counseling or traditional—transitional housing programs or after-school programs or homeless services. And so I've asked the Cabinet officers and their faith-based and community offices to come up with ways to expand individual choice into how their departments can implement this philosophy.

Now, I understand people are skeptical about this approach, because they say, you know, "People in need don't want it." Or the other classic excuse is, "People in need are not sophisticated to make the choices for themselves." I firmly reject that point of view. This approach has worked, by the way.

President Bush—former President Bush, affectionately known as Number 41—[*laughter*]—introduced choice in the childcare and development block grants to States. In 1990, he started to implement this philosophy. And it turns out that when you analyze the results of that decision, that American parents decided they liked making the decisions as to where they send their children to child care.

Today, more than 80 percent of the money in this program that goes out the door is in the form of individual coupons. In other words, consumer demand was quite large when it came to saying, "I'd like to make the choice where my child goes, where I put my child, not you, Government." And these were people from all walks of life, by the way. These are the people that some say aren't sophisticated enough to make the choice. Parents are sophisticated enough to decide what's best for their children, and the Government has got to realize that.

The second step is to continue to build our culture of compassion by making sure State and local agencies do not discriminate against faith-based and community-based programs when they hand out Federal dollars. In other words, one of the roadblocks to full implementation of this initiative is to not only make sure the Federal Government responds positively but the State and local governments do as well.

Let me give you an example of part of the issues that faith-based programs face at the State and local government. Janesville, Wisconsin, authorized the Salvation Army to use Federal funds to help purchase a small apartment building to use for transitional housing for the homeless. The city council wisely said, "Why don't we go to an expert? The Army—the Salvation Army has done this for years. They know what they're doing." And that was good news. The bad news is, is that when it approved the funding, the city added a provision declaring that religious ceremonies are not to be conducted on the site initiated by the Salvation Army. That doesn't make any sense, to tell a faith-based provider that they cannot practice the religion that inspires them in the work of compassion.

And so when we learned what happened there with the city council, the Department of Housing and Urban Development, the office we set up, sent a letter informing the city that as long as the religious services were not funded with Federal money—in other words, the money was not—Federal money was not used to proselytize—and participation was voluntary, the city had no right to tell the Salvation Army that the price of running a center was to give up its prayers. It's an important concept that you just heard. I mean, it's a—and fortunately, the Janesville city council reversed its previous stand.

Now, we've got to continue to encourage State and community and local governments to not discriminate against faith-based programs, to welcome faith-based programs, to understand a faith-based program will not use money to proselytize, that faith-based programs fully understand that participation in any religious ceremony is voluntary, but that the governments have got to understand that faith-based programs can help Governors and mayors achieve the

common goal that we all share, which is a hopeful America for every single citizen. That's an important objective of this administration. And one of the roadblocks, frankly, happens because some States and some local governments receive formula grants—all of them receive formula grants from the Federal Government, but they haven't opened up those grants to competitive bidding.

And so, yesterday, when I spoke to the Governors, I urged them to set up faith-based offices in their Governors' offices. Now, half of the Governors have done so. And if you're in a State where your Governor hasn't, I would urge you to get the Governor to say, "Wait a minute," to the State bureaucracies, "Allow faith-based and community-based groups to bid on Federal money that has been sent down by formula to the States." In other words, we've talked about the Federal grantmaking process, but a lot of money goes out of Washington, DC—about $40 billion of it—through formula grants. And to me, that's an area where the faith-based community ought to have the chance to bid as well. There's about 100 mayors have set up faith-based offices, so that's progress. Half the States, 100 cities—we're making progress to make sure that this initiative is accepted at the Federal, State, and local governmental level.

Third step is to get Congress to pass charitable choice legislation. The legislation guarantees in law that faith-based organizations are treated equally when they compete for Federal dollars, and it also protects their religious independence in hiring workers. Charitable choice is something I've supported every year, and every year it's got stuck. There's kind of a consistent pattern there. [*Laughter*]

And so I acted. I signed an Executive order that said that all faith-based groups should have equal access to Federal money. In other words, instead of waiting for Congress to pass charitable choice legislation, I said that a group with a cross on the wall or a rabbi on the board of a faith-based program would not be excluded from the awarding of Federal grants. That's what the initiative said; it said, "Since Congress isn't moving, I will." And that Executive order still stands, but I believe that Executive order ought to be codified into Federal law, and Congress needs to act this year to do so. I think it's important.

Faith-based organizations also need a guarantee they will not be forced to give up their right to hire people of their own faith as the price of competing for Federal money. There are some in our society in the faith community that say, "Why would I want to interface with Government?" And we've got to rid people of that fear. In other words, if we want this program to be effective and to save lives, people have got to say, "Interfacing with Government will not cause me to lose my mission." And part of Towey's job and part of the faith-based offices—the job of the faith-based offices is to go around the country assuring people about the new culture in Washington, DC.

One of the key reasons—and it's important for people here in Washington to understand—one of the key reasons why many faith-based groups are so effective is a commitment to serve that is grounded in the shared values and religious identity of their volunteers and employees. In other words, effectiveness happens because people who share a faith show up to help a particular organization based on that faith to succeed. And that's important now for people in Washington to understand.

The right of religious groups to hire within their faith is included in Title VII of the landmark Civil Rights Act. But Congress has sent conflicting signals about whether that right still applies when a group gets Federal funding. When it comes to drug treatment and aid to needy families, Congress has included language in law that affirms their right to preserve their religious identity in their hiring decisions—

the "their" being the faith-based groups. Congress has affirmed that right.

When it comes to programs such as the Workforce Investment Act, Congress has required faith-based groups to forfeit the right. In other words, we're seeing mixed signals. Conflicting laws and regulations discourage faith-based groups. The purpose is to remove roadblocks, to encourage people to participate, not discourage people.

And so I want this issue resolved. Congress needs to send me the same language protecting religious hiring that President Clinton signed on four other occasions. And they need to do it this year. And if we can't get it done this year, I'll consider measures that can be taken through executive action.

The fourth step in advancing a culture of compassion is in ridding the Federal Tax Code of provisions that can discourage charitable giving. Today, a retired American who wants to donate a portion of his or her IRA to charity first pays taxes on the money withdrawn. In other words, "I want to give some money. I've retired. I've got an IRA. I feel compassionate. I want to help an organization that's changing lives. I want to be a part of achieving your goal for America, and so therefore, I'm going to give you some money, but I have to pay tax on it first."

So we've decided to do something about that, and my 2006 budget includes a proposal that will allow all retirees to make contributions to charities from their IRAs tax-free.

It's a simple change, but it's a substantive change to law. And I believe it will help encourage giving. Listen, America is a generous country, and a lot of people give. They don't need the tax law to encourage tithing, for example. But it always helps on the margin to have good tax law. [*Laughter*]

We've also got another interesting provision in the 2006 budget, and I appreciate the Members of Congress being here to listen to this. It would allow greater deductibility for food donations at a time when food pantries are having trouble keeping their shelves filled. And we're doing a better job of managing surpluses in America. In other words, technology is—and the agricultural sector is coming down, so the ag community does a better job of managing surpluses in America. It's harder to get those surpluses, since there aren't—the surpluses are smaller, to the food pantry, so we've got a problem. And plus, current law discriminates against farmers or ranchers or small businesses or restaurants who do not get the same break, tax break, that some corporations get, and that's not right.

And so the proposal would encourage more food donations by expanding and increasing the deduction of all taxpayers, large and small, sole proprietorships, incorporated, all who are engaged in a trade or a business, that can claim deductions for food donations. It's a practical thing to do, isn't it? I mean, if food pantries are having trouble getting food, why not have the Tax Code encourage people to give food? And so Congress needs to work on helping us help those who want to be generous anyway with a little help in the Tax Code.

It's important for our fellow citizens to understand that the efforts that I've spoken about today do not involve the Government establishing religion. The State should never be the church, and the church should never be the State. And everybody in America understands that.

Anybody who accepts money from the Federal Government, any faith provider, cannot discriminate based on religion. It's an important concept for our fellow citizens to understand, that no one in need will ever be forced to choose a faith-based provider. That's an important concept for people to understand. What that means is if you're the Methodist church and you sponsor an alcohol treatment center, they can't say only Methodists—only Methodists who drink too much can come to our program. [*Laughter*] All drunks are welcome, is what

the sign ought to say—welcome to be saved, so they become sober.

When the Government encourages the helping hand offered by the armies of compassion, it is important to understand that Government is acting through common sense, that Government is doing what you would want it to do, saying, "Can we achieve results? How best to achieve an objective?"

The goals that we've set here in our Nation, which is a compassionate country for everybody, to bring light where there's darkness, to help people who struggle, that goal—they are large. I mean, these goals are large goals; I mean, really big goals, important goals. And it's important for our fellow citizens to understand that to achieve those goals, we need all the help we can get. And the best help you can find, in my judgment, is the help from the armies of compassion, those brave soldiers who on an hourly basis answer a universal call to love a neighbor just like they would like to be loved themselves.

I can't think of a better motto for an army, to love a neighbor just like you'd like to be loved yourself. And I can't think of a better role for Government, to say we stand with that army. We stand ready to help energize that army. We want that army to succeed because we want every American from every background in every neighborhood to realize the full promise of this blessed country.

I want to thank you for being generals, lieutenants, sergeants, and privates in the army of compassion. Thank you for giving me a chance to lay out an agenda for the next 4 years that will invigorate this incredibly important initiative of Government.

May God bless you, and may God bless your work.

NOTE: The President spoke at 10:11 a.m. at the Omni Shoreham Hotel.

Remarks in a Discussion on Job Training in Arnold, Maryland
March 2, 2005

The President. I appreciate the warm welcome. Thanks for coming. Please be seated. Thank you all. Go ahead and be seated; we've got some work to do. We're here to talk about an important issue, and that is how to make sure people get the skills necessary to fill the jobs of the 21st century. That's what we're here to talk about.

No better place to talk about that than at a community college which is working, and we're here at a good community college. I want to thank Marty Smith. She is one of our panelists. As you can see, we've got a distinguished panel. You're about to hear some interesting stories that I think will pertain to—will make why I believe the community college system is vital to the future of our country real evident to you.

The Governor is here. How about that? Governor Ehrlich, appreciate you coming. And we've got Kendel, first lady. And we've got Drew. Mom and Dad here?

Governor Robert L. Ehrlich, Jr. Mom and Dad are here.

The President. Mom and Dad—still listening to Mom, aren't you?

Gov. Ehrlich. Absolutely.

The President. Yes, so am I. [*Laughter*] Laura sends her best. She's back at the White House. She wants to say hello to her friends in Maryland. She's doing great. She and I are going to go Pittsburgh next week to talk about her initiative, which I embrace whole-heartedly, and that is how

to help young men realize the great promise of this country, how to fight off the temptation to join gangs and instead join society as a productive citizen. Part of that is to make sure the education system works well. So we're here on an education mission, really, to make sure education is relevant.

I want to thank Jim Fielder, who's the secretary of labor for the State of Maryland. I appreciate you being here, Jim.

A couple of things I want to say. First of all, freedom is on the march. It's a profound period of time. Our Secretary of State is returning from her trip to Europe. I will visit with her tomorrow afternoon. I talked to her on the phone yesterday. I applauded the press conference she held with the Foreign Minister from France, where both of them stood up and said loud and clear to Syria, "You get your troops and your secret services out of Lebanon so that good democracy has a chance to flourish."

The world is working together for the sake of freedom and peace. The world is speaking with one voice when it comes to making sure that democracy has a chance to flourish in Lebanon and throughout the greater Middle East. And when democracies take hold, the world becomes more peaceful; the world becomes a better place for our children and our grandchildren. So I look forward to continuing to work with friends and allies to advance freedom, not America's freedom but universal freedom, freedom granted by a Higher Being.

I also appreciate the good growth of our economy in places like Maryland. Governor, you get—deserve a lot of credit for creating conditions where the entrepreneurial spirit is strong.

Gov. Ehrlich. Thank you, Mr. President.

The President. You've got an unemployment rate of 4 percent in the State of Maryland. That speaks volumes about good leadership. We've got a national unemployment rate of 5.2 percent. The fundamental question is, how do we keep growing? And so I look forward to working with Congress to continue to advance commonsensical lawsuit reform.

We did something on class-action lawsuits. Republicans and Democrats got together and said, "Wait a minute. We've got a problem. The scales of justice are not balanced, so let's balance them with reasonable reform." We got a good class-action bill to my desk, which I signed. Now it's time for Congress to do something on asbestos, to get good reform to make sure that job creators and people who are harmed—job creators are able to create jobs and people who are actually harmed by asbestos get the settlements they're due.

Congress needs to continue to work on legal reform, including legal reform to make sure good doctors aren't run out of practice. We need medical liability reform.

We need to get an energy bill to my desk. In order to make sure people can find work here in Maryland, this country needs to have an energy bill, something that makes us—that recognizes we can do a better job of conserving energy, we can spend money on renewable sources of energy. I like the idea of using corn and soybeans to help produce energy. I mean, after all, it would be neat, someday, Governor, if somebody walked in and said, "We're growing more crop, and therefore, we're less dependent on foreign sources of energy." We need to modernize the electricity grid. And I put this in front of the Congress 3 years ago or 4 years ago. They need to get it together. They need to come together, stop debating about an energy plan, and pass one, for the sake of jobs and job creation.

We've got to do something about the deficit. I submitted a good, lean budget to Congress. Some of them get carried away when it comes to spending, and we have—we want to make sure that we meet priorities and cut this deficit of ours in half by the year 2009. It's important. It's an important signal to capital markets; it's

an important signal to the world that we're serious about deficits.

And we're serious about long-term deficits, and we have a long-term deficit when it comes to Social Security. There's a lot of baby boomers, like me, getting ready to retire—[*laughter*]—fortunately, in my case, later rather than sooner. And baby boomers are living longer than the generation before us, and baby boomers have been promised more benefits than the generation before us. And yet there are fewer workers paying for the baby boomers when they retire.

And if you add up the math, it says "problem." In the year 2018, the Social Security system goes into the red. In other words, more money is going out than is coming in. Just catch this statistic: In 2027, the Government will be $200 billion short—200 billion short. That's money going out more than coming in on payroll taxes.

So if you're a young person going to school here, you ought to be asking the question to public officials, "What are you going to do about the problem?" Now, older Americans have nothing to worry about; nothing changes. I don't care what the propaganda says. You're taken care of and will be taken care of. But younger Americans need to worry, because when you think about a system that goes in the red 200 billion one year, more the next year, more the next year, and more the next year, you need to be asking people like me and Members of the United States Congress, "You better fix it before it becomes a crisis. Don't be passing on problems to future generations. You were elected, Members of Congress were elected to solve problems now." And so I intend to work with members of both parties to get this problem fixed.

And I'm going to travel this country a lot talking about the issue of Social Security. Friday, I'm off to New Jersey and Indiana. Every week I'm going to be out talking about the problem, assuring seniors that nothing will change, and reminding young Americans that they need to write the Congress, the Senators and the House of Representatives, and demand action, so that we don't stick a young generation with serious problems that will wreck our economy and wreck their lives.

Today I want to talk about education. Education, making sure we've got an educated workforce, is a vital part of making sure this economy of ours continues to grow. I've talked to a lot of employers around and say, "What is the biggest concern you have?" And one of the biggest concerns they have is the fact that they don't have workers with the skill sets necessary to fill the jobs of the 21st century. So that's the challenge we face. And what we're going to talk about today is a commonsense solution of how to address that challenge and solve that problem.

First thing is, we've got to make sure our kids can read and write and add and subtract. The No Child Left Behind Act is working. The No Child Left Behind Act says States get to control the curriculum and decide what to do, but it says in return for increased Federal money, we want to see whether or not a child can read. In other words, we believe in accountability and measuring.

There's an achievement gap closing in America, and that's important. But how do we know? Because we measure. You don't know if you don't measure. You can't solve a problem until you diagnose the problem. And for too long, too many children were just shuffled through the system. Too many minority children, too many inner-city children were just moved through in the hopes that somebody got educated. But that didn't work. So now we're measuring early so we can solve problems early. And No Child Left Behind is paying off.

And we need to extend those high standards to high schools. I appreciate the national Governors coming together to talk about how to build on the reform—not

weaken the reforms of No Child Left Behind, how to build on the reforms so that a high school degree means something.

Then the next fundamental question is, what do we do with people coming out of high school or people who have been in high school and have gone into the workplace but realized they want to continue to advance by gaining a new set of skills? That's what we're here to talk about.

Let me tell you something about the community college system. When I was the Governor of Texas, I realized what a valuable asset the community college system was to my State, just like your Governor recognizes what an asset it is to Maryland. Community colleges are available. They are affordable, and they are flexible. And that's important. It's important to have a place of higher education that has got the capacity to adjust its curriculum to meet the needs of an employer base, for example. I mean, if all of a sudden somebody pops up and says, "We need more nurses," it makes sense to have a community college system that says, "We'll help you put the curriculum in place to train people for nursing." And we're going to talk a little bit about that here in a minute.

When you've got a growing economy in the 21st century, there's a certain skill set that's needed to fill the jobs. And what we're talking about today is how to fill those jobs. One of the things we've done in the last couple of years through the Department of Labor was to encourage public-private partnerships. And we'll continue—going to do that over the next 4 years. That's—those are fancy words for saying, "Look, we're going to help employers and community colleges match up needs, demands, with supply." That's what that means.

Last year, I called upon Congress to pass a $250 million initiative to support our community colleges and to fund partnerships between community colleges and local employers. They funded it, and now some money is going to start heading out. And that's an important part of the initiative I'm talking about. We're going to hear from an employer and a community college on how they work together and how the system functions best when it's flexible.

The second thing that I want to talk to you about is—Congress is now going to debate what's called the—reforms to the Workforce Investment Act. We spend about $16 billion a year on workforce training, except only about 200,000 people got trained. It's not a very good record. See, part of my job as the President and part of people whose job it is to watch your taxpayers' money, is to say, "Is the program actually working?" It sounds good, doesn't it? "Let's spend money for workforce training." It's just when you train 200,000 people with 16 billion, I think we can do a better job than that. [*Laughter*] And one way to do so is to recognize the problems, the bottlenecks.

The system is very complex and complicated. There's a lot of programs in Washington with all sorts of different rules across, I think, 10 different jurisdictions. A bureaucratic nightmare may be the appropriate way to describe it—kind of, mandates coming out of Washington, DC, tend to complicate the issue of the Workforce Investment Boards and make the Governor's job more complicated. And people at the very end of the system kind of wonder what the heck is going on between the intent of Washington and money actually making it down into the trenches.

And so I've called upon Congress to add—to put these moneys together, reduce the bureaucracies, the strings, and to let States—gives States the flexibility to focus on workforce training that meets the best needs of each State. The best reform possible, it seems like to me, is to kind of bundle up the programs in a flexible way that says Governor Ehrlich, elected by the people, ought to work with the local jurisdictions to figure out how best to spend

the money to meet the needs of the Maryland citizens. In other words, more flexibility, in my judgment, will mean more people will be trained for the jobs at hand.

A little problem for some in Washington—why trust the Governor? [*Laughter*] I encountered that when I was a Governor. Good news is, I was a Governor. I trust local people. It's a fundamental part of my political philosophy, the closer decisionmaking is to the people, the better the decisionmaking will be. And so Washington ought to be flexible. We at least ought to shoot for 400,000 people trained a year. [*Laughter*] And it's important.

The other thing is, is when I've mentioned higher ed—community colleges being affordable, they are affordable, but we've got to recognize people still need help coming to a community college. We spend $80 billion a year at the Federal level in student loans and Pell grants. I've submitted a budget to the Congress that increases Pell grants from 12.4 billion to 18 billion. And the reason why is—that's a year, by the way—because Pell grants are important. I love Pell grants because they help folks that need help. They really reinforce dreams, don't they? You got a society that says, "Aim big; dream big." And what a Pell grant does, it says, for those who can't afford higher education, "The rightful role of Government is to help you realize your dreams."

And so Congress, I'm confident, will act on the Pell grant increase. The Pell grant increase really talks about increasing the maximum grant award. It increases the amount each recipient of a Pell grant can get, and that's good. It needs to be adjusted up, which we want. We also believe students attending college year-round ought to receive Pell grants year-round. This will help create flexibility for the students.

And we've got the loans out there. People say to me, "Do I have to repay my loan?" [*Laughter*] Yes. [*Laughter*] It's part of a responsible society, isn't it? We said, "We want the loans to be more reasonable in repayment schedule and the interest rates to be more reasonable."

In other words, I look forward to working with Congress to help higher ed become more affordable for people from all walks of life. It's a good use of your money. It really is. And it makes sense, particularly, in a changing world, where the job base is changing and the skill sets for those jobs are changing dramatically.

You know, technology changes, but labor lags behind when it comes to change. And therefore, we have a duty and a responsibility to use our assets, like the community college system, to enable people to get the skills to work. And as that happens, this economy is going to continue to grow. One of the bottlenecks for economic expansion and vitality is to make sure we match jobs that exist with skill sets of willing workers.

Somebody who understands that is the Governor. Governor, thanks for joining us. I'm honored you're here.

Gov. Ehrlich. Mr. President.

The President. Why don't you share with the good folks, the C–SPAN watchers what—[*laughter*]——

Gov. Ehrlich. Hi, everybody.

The President. ——like my mother. Hi, Mom. How are you doing? [*Laughter*]

Gov. Ehrlich. And my mom is here too.

The President. Yes, well, why don't you tell us what you're doing in Maryland. People are interested to know. Just give us where you are.

Gov. Ehrlich. First of all, I want some extra credit for wearing my "W" tie today.

The President. Very good, yes. Hot item.

Gov. Ehrlich. He didn't even charge me.

The President. I don't know about the pink. [*Laughter*]

Gov. Ehrlich. Mr. President, we've been joined today by my Cabinet. And if I can just take one second—and former Governor Marvin Mandel. Would my Cabinet please stand up? These are the folks that implement your policies, your programs.

The President. Thank you.

[*At this point, Gov. Ehrlich made further remarks.*]

The President. Let me—it's important for people to understand what he's saying there, if you don't mind. See, in order for—the way the rules are written, in order for the State of Maryland to implement a workforce training program that meets your needs, oftentimes the Governor has to come and ask for a waiver. Think about that kind of system, right? We want to do something. We want to help the country meet an objective, but we need a waiver. We need permission.

And so, I think there's like—I forgot how many waivers have been granted over the last year, but it's a system that says—it begs for reform. You know, the more time you ask for waivers, the less time you're focused on what you're doing.

Gov. Ehrlich. The more time you take up with asking for waivers, the less time you have to put money into the workplace to train and retrain. At 3.8, 3.9 percent unemployment, retraining is really part of our focus here. Secretary Fielder, Secretary Melissaratos, they're living this. So we thank you very much.

The President. What are you doing different?

Gov. Ehrlich. Well, as I said, we're ahead of the curve. We have begun one-stop shops. We've consolidated programs, basically along the line of what you're advocating.

The President. Nobody knows what a one-stop shop is.

Gov. Ehrlich. You're a worker; you go online. You're an employer; you go online. You match it up—a one-stop shop. That's taking advantage of technology. Obviously, by the way, you are one of the best here. Marty is one of the best. You're one of the best community colleges in the State of Maryland. We'll work with our community colleges.

The President. Let me ask you something. Somebody out there listening who's looking for a job in the State of Maryland—one-stop shop online. In other words, they—you've got this all——

Gov. Ehrlich. Call Secretary Fielder's department, his agency, and we'll put you in touch with—if you have a resume, you have a job waiting for you in the State of Maryland today. That's the message that needs to go out, not just in Maryland but around the country. We're at 3.8, 3.9 percent. We want to go to 0.0, Mr. President. I want to report to you 0.0. How about that for a goal? I told you we set high benchmarks around here.

The President. That's right. I like the fact that the State has got a system, a kind of a virtual workforce agency where people can get on the Internet and find out what's available, I presume, where the closest one-stop shop is, if they want to go in in person. At a one-stop shop, people can find all kinds of advice on how to get a scholarship, what's available, the closest community college, what the curriculum looks like in your community college. It is a place all designed to help somebody who wants to advance receive the help necessary to advance.

Gov. Ehrlich. And our ability, by the way, to do what we've been able to do and get some waivers, although it is time-consuming, has allowed us to put additional dollars where it belongs, into what you're talking about. More bang for the buck for the taxpayer—in this case, the Federal taxpayer and the Maryland taxpayer—dollars into the field so that employers can truly find the employees they need and, particularly given this economy and how quickly we turn over, post-industrial Maryland, post-industrial America, retrain our workers.

The President. Good job, Bobby.

Gov. Ehrlich. Thank you.

The President. They call you Bobby?

Gov. Ehrlich. Absolutely, Mr. President. You can call me anything you want, Mr. President.

The President. Dr. Marty Smith. She is the—[*applause*]—she's not going to give you an A just because you're cheering loud. [*Laughter*] You have been here how long?

Martha A. Smith. I'm in year 11.

The President. As the president.

Ms. Smith. Yes, sir, I am.

The President. And so, is this your only community college experience?

Ms. Smith. Actually, I was president of Dundalk Community College, just up the road, for about 7 years.

The President. Good, good. Give us a sense of how the community college system—what's changed and what hasn't changed, just over the last 18 years.

Ms. Smith. Sure. First of all, I have to say, on behalf of all of us, we are so honored to have you at Anne Arundel Community College.

The President. Thank you.

Ms. Smith. Thank you so much for selecting Anne Arundel Community College.

The President. Thanks.

Ms. Smith. You're welcome.

The President. Appreciate you putting up with the entourage.

Ms. Smith. Oh, they were wonderful. They were wonderful.

The President. That's good. That's the way they should be.

Ms. Smith. And I also want to thank you for our outstanding support and understanding for our country's community colleges. You really get it, as we just heard——

The President. Thank you.

Ms. Smith. ——related to job training, so thank you so much.

[*Ms. Smith made further remarks.*]

The President. For those of you who are, like, market advocates, who believe the market is a powerful way to have an efficient delivery of service, listen to what she just said: "We respond. We respond to demand. We adjust. We don't adjust because Government said, 'Adjust.' We adjust because our customers, the students and the employers, have said, 'Adjust; stay relevant.' Otherwise, if you don't adjust, you'll become irrelevant." Great statement. I think it's very important for people to understand the great assets. This is a tremendous asset you have in your State.

So, anyway, the reason I asked what has changed over 18 years is because it was a way for me to lead the witness to say—[*laughter*]—a lot has changed. [*Laughter*] Because community colleges have got the capacity to change. Seriously, I mean, I presume the emphasis has shifted quite dramatically.

Ms. Smith. Well, it has. Traditionally, we have talked about associate degrees and certificates and the credit program, but what we understand now is that students don't necessarily, when they're looking for a job that's going to pay them an appropriate salary, they don't care whether it's credit or noncredit. They want it now. They want the skill set and the knowledge set that's going to help them get into that workforce quickly and be successful and advance in that profession. So it's changed incredibly. Every year, we are developing 20 new short-term programs to really try to meet the specific needs of the industry, and as you know, things are changing so quickly in every industry that it's imperative that we change.

The President. So how do you know? How do you—what do you—how are you structured so that information is able to get to you and your curriculum designers?

Ms. Smith. Well, we have a number of program advisory committees where we have business leaders and employers who give their time and energy to meet with us on a regular basis to say, "This is what we see is coming down the pike for our industry." We have a wonderful Governor's Workforce Investment Board that is investing incredible amounts of time and energy, analyzing each and every one of the high-growth industries so that they can say, "These are the levels of employees that we are going to need in the next 5 years.

Community colleges, we look to you to make it happen."

The President. Yes, interesting, isn't it? Fascinating, I think. It's such a hopeful system, and it's working.

So, Joyce Phillip is with us. You work with Joyce, right?

Ms. Smith. I do.

The President. Yes, okay. Joyce, tell us, everybody, what you do.

Joyce Phillip. I'm vice president of human resources at Anne Arundel Medical Center——

The President. Good.

Ms. Phillip. ——which is a 260-bed not-for-profit regional medical center, a wonderful place to work.

The President. Well, thank you, yes. So why are you—besides being invited—[*laughter*]—why is this conversation relevant to you and your hospital?

Ms. Phillip. This conversation is so relevant to me and to our hospital and to all the industries in Anne Arundel County. We work very closely with the community college. For instance, you know that there are great shortages in allied health fields. Last year, we were able to hire 97 applicants from—who had attended Anne Arundel Community College. Thirteen of them were nursing students.

The President. Yes, it's interesting, isn't it? So the health care field, it's changing.

Ms. Phillip. Oh, it is changing tremendously.

The President. Skill sets—new skill sets are required.

Ms. Phillip. Yes. And when there are new skill sets that are required, we're able to go to our community college, which is right there, tell them what we need, ask them, "How can we do it?" And they come up with the creative ways to do it, and they make it happen.

The President. Isn't that interesting? So the hospital system says, "We need"—how many people did you hire last year?

Ms. Phillip. Ninety-seven.

The President. Ninety-seven.

Ms. Phillip. Thirteen nurses.

The President. Thirteen nurses. So somebody says—well, you say to the community college, "In order for us to hire these people, they've got to be able to do X, Y, and Z."

Ms. Phillip. That is correct.

The President. The community college then says, "Okay, fine. We will provide professors, teachers, to teach people"——

Ms. Phillip. Develop the curriculum.

The President. ——"develop the curriculum for X, Y and Z," and then the people are able to get work. That's—it's as simple as that.

Ms. Phillip. They are. It sounds simple——

The President. It's not. [*Laughter*]

Ms. Phillip. It's not.

The President. I read your mind.

Ms. Phillip. When you are able to partner with the community college, and when you're able to partner with an employer and put some of our money together, some of your Pell grant and Federal money together, we can do it.

The President. Right. Yes, it's good, interesting. And so, is this a field that has got a—constantly in need for new workers?

Ms. Phillip. It's definitely going to be a need for new workers. All you need to do is look at the population as we age. We're going to need people who are going to be able to meet the needs and take care of those people who have served America and take care of those people who are there.

The President. Do you have programs within your hospitals where you take people who already have a job and enhance their skill set at the community college?

Ms. Phillip. I wanted to say something. That makes me more excited, because we have a program that the community college and the Department of Labor worked on, and it's called School at Work.

[*Ms. Phillip made further remarks.*]

The President. There's something we're about to talk about here. There's a—the term of art these days is productivity and how does the worker become more productive. Well, there's one way a worker becomes more productive, and that is to enhance skills through education, additional education. And when you hear the word "productivity," you think about—you need to think about higher wages. A more productive society is one in which a worker makes more money. That's just a fact of life. So you can either look at the community college system as a way to enhance an individual's productivity, or another way to look at it is, one way to increase your wage is to come back to school and gain a new skill set. This is a wage-increasing institution.

And it's a—somebody who knows that and understands that is Jeannetta Smith. She's with us today. Thanks for coming.

Jeannetta Smith. Thank you for having me.

The President. It's an interesting story. So where were you raised?

Ms. J. Smith. I'm from North Carolina—Rocky Mount, North Carolina.

The President. There you go. If you've never been there, it's a beautiful part of the world. And so what were you doing there?

Ms. J. Smith. Shortly after high school, I started working in a textile plant——

The President. Right.

Ms. J. Smith. ——textile factory. North Carolina had lots of textile plants, and the textile industry was leaving.

The President. The textile industry was leaving is right. A lot of people were getting laid off. So what did you do?

Ms. J. Smith. I thought about it, and I thought I should leave before I got cut. [*Laughter*]

[*Ms. J. Smith, Anne Arundel Community College student and licensed practical nurse, Northwest Hospital Center, Randallstown, MD, made further remarks.*]

The President. Good. By the way, this is—Maryland has got a fantastic community college system; so does North Carolina. And it's been a vital part of helping people transition from what was once a viable industry to the new viable industries within the State, including health care.

Anyway, so you did the 7-year deal. Then what happened?

Ms. J. Smith. I relocated. I did some travel nursing, and I ended up here in Maryland.

The President. I found that interesting, travel nursing. It's kind of like an itinerant preacher in the old days, you know. [*Laughter*] What is travel nursing? Explain that.

Ms. J. Smith. A travel nurse is a nurse that contracts with a hospital in different States or different cities or even in your hometown. You contract for either 3 months or 6 months. Your company finds you an apartment. They furnish it. They provide everything, and you work. So you get to be a tourist for free.

The President. Yes, that's interesting, isn't it? [*Laughter*] Kind of an interesting concept. It does say there's certainly an opportunity for people. If you're having to—if a hospital has to staff a hospital staff with a travel nurse, I presume that they're looking for full-time nurses. Not to say the travel nurse isn't important, but it just goes to show there's a demand for nursing.

And then, anyway, so you're a travel nurse, and you settle here?

Ms. J. Smith. Yes.

The President. I don't blame you. [*Laughter*] It's a beautiful part of the world.

Ms. J. Smith. It's a wonderful State, also.

The President. Yes, it is. And so what are you doing?

Ms. J. Smith. I work at Northwest Hospital as an LPN on the subacute unit, but I decided because LPN positions are limited, I wanted to explore other options.

The President. Good.

Ms. J. Smith. I decided to go to the community college here in Anne Arundel County because it offered a flexible program, LPN to RN transition, which would take one year, and it would increase my salary 50 percent.

The President. Yes, listen to that for a minute. [*Applause*] Hold on for a second. If you're out there listening as to whether or not somebody who had a high school degree and has spent a few years working after the high school, whether or not going back to a community college makes sense, just listen to what Jeannetta said. By going back to school for a year, she increases her pay by 50 percent. That's an important benefit for people.

Was it hard to go back to school?

Ms. J. Smith. It was very difficult. As most adults start working, they get bills, mortgages, car payments. So to go back to school requires a commitment of time, which usually means they can't work full-time.

The President. Right. And did you get help?

Ms. J. Smith. Yes, I did. I was able to benefit not from Pell grants but from Federal student loans, which have been wonderful. I have a 3 percent interest rate, which is a great investment. [*Laughter*]

The President. It's not exactly a grant, but 3 percent is pretty low.

Ms. J. Smith. Three percent is great.

The President. Was it easy to get the loan?

Ms. J. Smith. Yes, yes. No credit check. [*Laughter*]

The President. We don't need to go that far. Wait a minute. Of course, you would have passed anyway. [*Laughter*] Whew. [*Laughter*]

Ms. J. Smith. But in addition to the Federal student loan, Northwest Hospital also offers tuition reimbursement, which has been fabulous in helping me make my ends meet as I work a part-time schedule there.

The President. Yes, smart employers all across the country are interested in partnering with a potential employee or a current employee by saying, "We'll help you." People should recognize there's a lot of help available if you have the desire to go back to school. Government can't make you have desire. The Government can't say, "Be desirous." [*Laughter*] But Government can say, "If you are desirous, we want to help you." And that's what Jeannetta found out.

So where are you in your course thing now? You——

Ms. J. Smith. Well, I graduate in May, May 25th.

The President. There you go, good.

Ms. J. Smith. And you're invited.

The President. I'm invited? Thanks for the invitation. [*Laughter*] And so then what happens?

Ms. J. Smith. Well, I'll start working at least one year here in Maryland as a med/surg nurse at an area hospital to get my skills up and experience as a registered nurse. And the sky is the limit after that.

The President. You're going to be the travel thing, travel nurse?

Ms. J. Smith. Yes.

The President. Fantastic. I love the story. Think about this. Textile worker, hears the textile industry is laying off, which they were in North Carolina, decides to do something about it. Community college provides an opportunity to enhance the skill—her skill set; the Government provides ways to help; and this person is living the American Dream. I mean, this is—I thank you for sharing that with us.

Ms. J. Smith. You're welcome. Thank you.

The President. All right, Elliott Ward. Glad you're here, Elliott.

Elliott Ward. Glad to be here, sir.

The President. Thanks for coming, brother.

Mr. Ward. Thanks for having me.

The President. What are you doing?

Mr. Ward. Working hard.

The President. Me too. [*Laughter*] It's what you expect of me, though. [*Laughter*]

Give me a little bit on your background. Went to high school——

Mr. Ward. Went to high school, and immediately out of high school I went into the military. I served 4 years in the U.S. Army.

The President. That's good. Thanks. What high school?

Mr. Ward. Carver Vocational-Technical in Baltimore City. Born and raised in Baltimore City, Baltimore through and through.

The President. Are you a Ravens fan?

Mr. Ward. I am a Ravens fan.

The President. That's good. That's the right answer if you're from Baltimore. Went to high school, went to the Army——

Mr. Ward. Once I got out of the military, I entered into a series of security positions. And a while after that, I was blessed with a son, who is here this morning.

The President. Where is the man?

Mr. Ward. Malcolm is right over there.

The President. Hi, Malcolm. I'll see you afterwards.

As I understand, you're a single dad.

Mr. Ward. Yes, I am.

The President. Thanks for doing your duty.

[*Mr. Ward, College of Notre Dame of Maryland student and certified pharmacy technician, Johns Hopkins Health System, Baltimore, MD, made further remarks.*]

The President. That's good. Good job. By the way, the Labor Department entered into a contract with Johns Hopkins and the Baltimore Community College in order to have one of these collaborative efforts, a little extra funding to help employers and employees match up. Keep going.

Mr. Ward. Well, upon completion, I was offered employment as a pharmacy technician at Johns Hopkins Hospital, which I gladly accepted. I continued to go to school, as a part of the also-added benefit is the tuition-assistance program that Johns Hopkins offers. And after this semester, I'll be 15 credits—about 15 credits away from having enough credits, 65 credits, to enter pharmacy school.

The President. Yes, see, that's interesting, isn't it? So then you get to pharmacy school. How long does that take?

Mr. Ward. That will be 4 intense years instead of 4 intense months.

The President. Yes, that's okay. [*Laughter*]

[*Mr. Ward made further remarks.*]

The President. Are you getting any help to afford all this?

Mr. Ward. Well, the tuition assistance through Johns Hopkins helps a great deal.

The President. Yes. Part of the grant, by the way, is to help pay for tuition assistance.

Mr. Ward. It's a wonderful thing. [*Laughter*]

The President. It sure is. What's even more wonderful is both of your desires to use what's available to improve your skill set so you can realize dreams—in your case, be as good a dad as you can be. That's wonderful. That is what is possible and is happening all across the country.

So the reason we have people come and talk, other than me, is so, one, you'll listen—[*laughter*]—and two, so the stories make sense. These stories make sense to me. It makes sense to support the community college system, a system that is able to adjust to meet the needs of the people that we taxpayers expect the community college to serve, people wanting to work, employers trying to find a skill set so the communities can stay vibrant and whole and jobs are available.

I told you, one of the objectives of Government is to set the conditions right for job growth. And a lot of that always times—a lot of times focuses on tax policy. And obviously, good tax policy matters, and—but also what matters is to make sure that people understand the relevance and importance of education. We must never lose sight of the need to have an education

system which not only provides—gives people the basic skills working their way through elementary and secondary and high school but, equally importantly, an education system that's capable of keeping this country competitive by adjusting to the workplace as it really is.

I've come to herald success and a Governor who's successful in implementing a vision because he's got community colleges and community college presidents who are responsive to the needs of people. Again, I want to thank you all for letting me come. I hope you have found this as interesting as I have.

May God bless you all, and may God continue to bless our country. Thank you.

NOTE: The President spoke at 10 a.m. at Anne Arundel Community College. In his remarks, he referred to Kendel S. Ehrlich, wife of Gov. Robert L. Ehrlich, Jr., of Maryland, and their son Drew; Nancy and Robert Ehrlich, Sr., Gov. Ehrlich's parents; and Foreign Minister Michel Barnier of France. Governor Ehrlich referred to Secretary Aris Melissaratos of the Maryland Department of Business and Economic Development. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks on Presenting the Congressional Gold Medal Posthumously to Jackie Robinson
March 2, 2005

Members of Congress, Mrs. Robinson, and Sharon and Dave, Laura and I are honored to be with you all as we honor your husband and your dad. Reverend Jackson. You know, I figure I'm the ninth speaker. [*Laughter*] I spent a little time in baseball. Commissioner, it's good to see you, and appreciate the McCourts being here, of the great Los Angeles Dodgers family. But a lot of times, the ninth hitter was told by the manager, "Keep your swing short." [*Laughter*] I kind of guess that's what Nancy Pelosi meant when I got up here. She said, "You are the ninth speaker." [*Laughter*] "How about keeping it short?"

I'm honored to be here for the—to present the Congressional Gold Medal to Mrs. Robinson. It's a great tradition of our Congress to honor fantastic and noble Americans, and we're doing just the thing today with Jack Roosevelt Robinson.

You know, he was a great ballplayer. Anybody who follows baseball knows how great he was—fantastic statistics, MVP, all the big honors you could get. But his electricity was unbelievable. Think about this. This is a guy who inspired little 7-year-olds to dream of wearing "42" and dashing for home in Brooklyn, and a 7-year-old like me hoping to get his Topps baseball card, even though I was an avid Giants fan. He was an amazing guy. And his story was powerful then, and it is powerful today.

His story is one that shows what one person can do to hold America account—to account to its founding promise of freedom and equality. It's a lesson for people coming up to see. One person can make a big difference in setting the tone of this country.

He always fought for what he called "first-class citizenship." That's an interesting phrase, isn't it, "first-class citizenship," not second-class, not third-class—first-class citizenship for all. As John Kerry mentioned, it started in the Army. Obviously, it really manifested itself on the baseball field. After all, it was Branch Rickey who said he was looking for a man to cross the color line who could play baseball and

had the character necessary to do so. Jackie Robinson had both. And that's why we're honoring him today.

I found Martin Luther King's quote about him interesting. I'm sure you will too. He said, "He was a freedom rider before freedom rides." That's a pretty high compliment, when you think about it. He was—to me, it just says courage and decency and honor.

This son of Georgia sharecroppers was taught by his mother that the best weapon against racism was the use of his talent, his God-given talent, not to waste a minute, and he didn't. And that spirit, passed on from mother to son and now son to family, still lives through the Jackie Robinson Foundation. The Jackie Robinson Foundation is a noble cause to help academically gifted students of color go to college. I know the Dodgers will continue to support that foundation. I hope baseball continues to do so as well.

It is my honor now to join Speaker Hastert and Senator Stevens in presenting the Congressional Gold Medal to Rachel Robinson, in the name of her husband, the great baseball star and great American, Jackie Robinson.

NOTE: The President spoke at 3:18 p.m. at the U.S. Capitol. In his remarks, he referred to Rachel Robinson, widow of Jackie Robinson, and their daughter, Sharon Robinson, and son David Robinson; Allan H. "Bud" Selig, commissioner, Major League Baseball; Rev. Jesse L. Jackson, Sr., founder and president, Rainbow/PUSH Coalition, Inc.; and Frank McCourt, chairman, and Jamie McCourt, vice chairman, Los Angeles Dodgers.

Remarks Honoring the 2004 World Series Champion Boston Red Sox
March 2, 2005

Please be seated, unless you don't have a chair. [*Laughter*] So, like, what took you so long? [*Laughter*] Welcome. And welcome to the citizens of the Red Sox Nation. I'm proud to be joined by the Vice President. He's a Chicago Cubs fan. So, like, he knows what you've been through. [*Laughter*] We're really glad you're here.

There's been a lot of people in this town waiting for this day to come. Some have said it would be a cold day when the Red Sox made it here. [*Laughter*] I am honored to welcome the world champs, the mighty Boston Red Sox, to the White House.

I want to welcome the members of the Massachusetts delegation who are here. I know that Senator Kennedy is here. Senator Kerry is on his way. We have just finished a ceremony honoring Jackie Robinson. I know members of the congressional delegation are here from like Massachusetts, and everybody else that claims to be a Red Sox State. [*Laughter*] You all are welcome here.

I appreciate the commissioner coming. And Bob, it's good to see you. I thank the members of my Cabinet who are here. I appreciate the mayor being here, the mayor of Boston. You've had a heck of a year, Mayor. [*Laughter*] I want to thank and welcome my friend Tom Werner and Larry Lucchino. I'm sorry John Henry is sick. You know, Lucchino, I knew you'd amount to something eventually. [*Laughter*]

I appreciate the way this team played baseball. You know, it took a lot of guts, and it took a lot of hair. [*Laughter*] It took a great manager and coaching staff, and I'll never forget calling Terry Francona after the team won the championship, and he—the only thing I remember him saying was, "It's all—it all depended upon the

players," which is why he's a good manager, isn't it?

I appreciate the fact that Dom DiMaggio and Jimmy Piersall are with us. You guys represent a lot of great Boston Red Sox players that a lot of us grew up watching play, and you're welcome here in the White House, and you're representing a great tradition of wonderful folks.

You know, the last time the Red Sox were here, Woodrow Wilson lived here. [*Laughter*] There were only 16 teams in baseball then. After the World Series victory in 1918, a reporter from Boston said, "The luckiest baseball spot on Earth is Boston, for it has never lost a World Series." [*Laughter*] That's one optimistic writer. [*Laughter*]

Senator, welcome. Good to see you. Only time I—I like to see Senator Kerry, except when we're fixing to debate—[*laughter*]—if you know what I mean. [*Laughter*]

No one really expected the answer to the "Curse of the Bambino" would come from a group of players that call themselves "idiots," except for maybe idiots who don't understand baseball. This is a heck of a team. This is a team that came together from South Korea and Dominican Republic, from Anchorage, Alaska, Fort Riley, Kansas, and incredibly enough, Midland, Texas. [*Applause*] Oh, yes. Finally, somebody from Midland amounted to something. [*Laughter*]

I love the way this team played, and so do baseball fans. I mean, this is a team that won eight games in a row when it wasn't supposed to. It's kind of courage and a couple of stitches. You answered 86 years of prayer. That's an amazing feat, isn't it? I mean, when the Red Sox won, people all over the world cheered. They cheered in New England, and they cheered in Baghdad, Iraq. One guy said—from Boston—he said, "Now we just have to wait for the other six signs of the apocalypse." [*Laughter*]

I really appreciate what Boston does off the field too. The Jimmy Fund is a classic example of a sports franchise giving something back to the community in which they play. You created the Red Sox Scholars, which awards scholarships to disadvantaged fifth graders. I appreciate what individual players do. I know firsthand what the Schillings do, the SHADE Foundation to work to prevent skin cancer and the—and Shonda and Curt's leadership in the battle against Lou Gehrig's disease. I appreciate what the Red Sox are doing in the Dominican Republic with "Senor Octubre."

But most of all, our purpose here is to welcome champs. We wish you all the best in the upcoming season. We know that you've been able to do what has been viewed to be the impossible. And just like that sportswriter said in 1918, you know, Boston is the place to cover champs.

Welcome to the White House. May God continue to bless you all.

NOTE: The President spoke at 3:54 p.m. on the South Lawn at the White House. In his remarks, he referred to Allan H. "Bud" Selig, commissioner, and Robert A. DuPuy, president and chief executive officer, Major League Baseball; Thomas C. Werner, chairman, Larry Lucchino, president and chief executive officer, John W. Henry, principal owner, and Terry Francona, manager, Boston Red Sox; Red Sox pitcher Curt Schilling and his wife, Shonda Schilling; former Red Sox players Dom DiMaggio and Jimmy Piersall; and Red Sox designated hitter David "Senor Octubre" Ortiz.

Letter to the Speaker of the House of Representatives Transmitting Supplemental Budget Requests for the Legislative Branch and the Judicial Branch for Fiscal Year 2005
March 2, 2005

Dear Mr. Speaker:

As a matter of comity, I am transmitting to the Congress, without modification, the enclosed requested amounts from the Legislative Branch and the Judicial Branch for FY 2005.

The details of these requests are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

GEORGE W. BUSH

Message to the Congress on Continuation of the National Emergency Blocking Property of Persons Undermining Democratic Processes or Institutions in Zimbabwe
March 2, 2005

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent to the *Federal Register* for publication the enclosed notice stating that the national emergency blocking the property of persons undermining democratic processes or institutions in Zimbabwe is to continue in effect beyond March 6, 2005. The most recent notice continuing this emergency was published in the *Federal Register* on March 5, 2004 (69 *FR* 10313).

The crisis constituted by the actions and policies of certain members of the Government of Zimbabwe and other persons to undermine Zimbabwe's democratic processes or institutions has not been resolved. These actions and policies pose a continuing unusual and extraordinary threat to the foreign policy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency blocking the property of persons undermining democratic processes or institutions in Zimbabwe and to maintain in force the sanctions to respond to this threat.

GEORGE W. BUSH

The White House,
March 2, 2005.

NOTE: The notice is listed in Appendix D at the end of this volume.

Message to the Congress Transmitting a Report on Interdiction of Aircraft Engaged in Illicit Drug Trafficking
March 2, 2005

To the Congress of the United States:

Consistent with the authorities relating to official immunity in the interdiction of aircraft engaged in illicit drug trafficking (Public Law 107–108, 22 U.S.C. 2291–4), and in order to keep the Congress fully informed, I am providing a report prepared by my Administration. This report includes matters relating to the interdiction of aircraft engaged in illicit drug trafficking.

GEORGE W. BUSH

The White House,
March 2, 2005.

Remarks at a Swearing-In Ceremony for Michael Chertoff as Secretary of Homeland Security
March 3, 2005

I'm pleased to be here at the Department of Homeland Security with our new Secretary, Michael Chertoff. And I'm honored to share this moment with Meryl and their children.

This is the third time, not the first or second but the third time that I've asked Mike to serve our Nation. I keep asking him back for a reason: He is a talented public servant, with an outstanding record of achievement and a deep commitment to the cause of justice. As a Federal court of appeals judge, Assistant Attorney General, U.S. Attorney, and Federal prosecutor, Mike has worked tirelessly to make our people safer and our Nation more secure. And now he will carry on that vital work as the Secretary of Homeland Security.

I appreciate Michael's in-laws for being here. Always a good thing, Mike—[*laughter*]—to listen to your mother-in-law. [*Laughter*]

I thank Justice Sandra Day O'Connor, not only for being here to administer the oath of office but for serving our Nation with such class and such dignity. I want to thank the Members of the United States Senate, Senator Lautenberg and Senator Corzine from New Jersey, for being here, and thank you for helping shepherd this good man's nomination through the Senate. I want to thank all the Members of the House of Representatives who are here, and there is a lot from New Jersey that have joined us. I want to thank the members of my Cabinet who are here, and former members of my Cabinet. And I want to thank the employees of the Department of Homeland Security. You have got a great boss.

Since September the 11th, 2001, we have taken unprecedented steps to protect the American people. We have assembled a strong coalition of nations to secure our respective countries. We have closed down terrorists' networks and chased down their leaders in mountains and deserts around the world. We've removed two dangerous regimes that harbored terrorists and threatened the peace. We convinced a third to voluntarily abandon its nuclear and chemical weapons programs. We have broken up the world's most dangerous nuclear trading network and busted up terrorist cells around the globe.

We have been relentless and we will continue to be relentless in our mission to secure the people of this country. From

Florida to California to Massachusetts, we have arrested and prosecuted terrorist operatives and their supporters. By our actions, we are sending the world a clear message that terrorists will not be permitted sanctuary or safe haven or the tools of mass murder.

As we have taken the battle to the enemy, we have also taken extraordinary measures to better protect the homeland. We've carried out the largest reorganization of Government in a half century, merging 180,000 people from 22 Government organizations into a single Department with a single mission, protecting America from attack. The success of the men and women of the Department of Homeland Security do not always make the headlines. But I understand what you've done, and I appreciate your hard work. By your tireless efforts behind the scenes, you have helped protect our citizens and secure our Nation, and this country is grateful for all you do.

In the last 2 years, this Department has implemented a vigorous new strategy to guard our borders, posting Homeland Security personnel at foreign ports, strengthening airport and seaport security, and instituting better visa screening for those entering the United States. We've taken important steps to protect our Nation's critical infrastructure, our bridges and tunnels and nuclear powerplants and water treatment facilities and the cyber networks that keep our Government and our economy running.

This Department has also taken action to strengthen the hand of our partners in State and local law enforcement. Local police and other authorities are those most likely to encounter terrorists, and we're giving them the tools and information they need to do their jobs. We've established secure connections to emergency operations centers in every State and every Governor's office to ensure that they get threat information on a real-time basis. We've helped States establish mutual aid agreements and reasonable response plans, so that when first-responders need help from their neighbors, they can be sure the right assistance will get to the right people at the right time.

We've provided more than $14 billion over the last 4 years to train and equip State and local first-responders across America, funds for mobile command centers, communications equipment, mobile decontamination equipment, HAZMAT trucks, mobile WMD detection equipment, and other capabilities they need to protect our citizens and our communities. Since 2001, we've trained more than 600,000 first-responders and more than tripled spending on homeland security. And all of you in this Department and the Members of the Congress can be proud of the accomplishments and the progress we have made.

You have done all this and more under the skilled leadership of Tom Ridge. Tom is a longtime friend, and I thank him for his leadership and his dedicated service to our country.

And I have found an able successor in Mike Chertoff. As the 9/11 Commission said in its report, America is safer because of your efforts, but we are not yet safe. Mike Chertoff knows we cannot afford to become complacent. He understands that as we adapt our defenses, the terrorists will adapt their tactics in response. He understands they continue to pose a great threat to the American people.

Recently, we learned that Usama bin Laden has urged the terrorist Zarqawi to form a group to conduct attacks outside Iraq, including here in the United States. We're on a constant hunt for bin Laden. We're keeping the pressure on him, keeping him in hiding. And today, Zarqawi understands that coalition and Iraqi troops are on a constant hunt for him as well. Coalition and Iraqi forces have caught and killed several of his key lieutenants. We're working every day and night to dismantle his network and to bring him to justice.

Bin Laden's message is a telling reminder that Al Qaida still hopes to attack

us on our own soil. Stopping them is the greatest challenge of our day. And under Mike's leadership, we will do everything in our power to meet that challenge. Mike is wise, and he is tough—in a good way. [*Laughter*] And he knows the nature of the enemy. As head of the Criminal Division at the Department of Justice, Mike helped trace the September 11th attacks to the Al Qaida network. And it didn't take him very long to do so. He understands that the terrorists are brutal and determined and that to stop them, all our agencies must work more closely together using every resource and technological advantage we have.

I have given Mike an ambitious agenda to carry out. We will continue to work to fully integrate the agencies within the Homeland Security Department. We will build on the progress that has been made. We will continue working to reduce our Nation's vulnerabilities and prepare effective responses for any future attack. We will speed the development of new 21st century vaccines and treatments to protect Americans against biological, chemical, nuclear, and radiological attacks. We will continue our historic investments in homeland security to match the threats facing our country. We will protect the American people from new dangers while protecting their civil liberties.

Mike understands that we need to work closely with State and local officials because he has shared their vantage point. Like men and women who wear our Nation's uniform on distant battlefields, those who wear the uniform here at home risk their lives every day to protect our people. By their service and sacrifice, our police, our firefighters, and emergency rescue personnel are making the homeland safer. And our Nation must constantly thank them for their work.

Mike is the right person to lead this Department in this vital work. He knows that to win the war on terror abroad, we always must remember where it began, here in the homeland. He will be an outstanding Secretary of Homeland Security. Mike, thank you for willing—for your willingness to serve our Nation once again. God bless.

NOTE: The President spoke at 9:25 a.m. at the Ronald Reagan Building and International Trade Center. In his remarks, he referred to Meryl Chertoff, wife of Secretary Chertoff; Usama bin Laden, leader of the Al Qaida terrorist organization; senior Al Qaida associate Abu Musab Al Zarqawi; and the National Commission on Terrorist Attacks Upon the United States (9/11 Commission). The transcript released by the Office of the Press Secretary also included the remarks of Secretary Chertoff.

Remarks at the Central Intelligence Agency and an Exchange With Reporters in Langley, Virginia
March 3, 2005

The President. I want to thank Director Goss for his hospitality. It was such a pleasure to come out and see hundreds of folks who work here at the Central Intelligence Agency.

I came for a couple of reasons. One, I wanted to assure the people here that their contribution was incredibly vital to the security of the United States and that, together, we've achieved a lot in securing this country. There's a lot of really incredibly bright, capable, hard-working, dedicated Americans who work in this building. So my first mission was to thank them.

And the second thing was to explain that the reforms that we'll be implementing

through the good graces of Ambassador Negroponte, if confirmed by the Senate, will actually help the CIA do its job better.

And I got a great reception. I want to thank you, again, Director, for your hospitality. We're making progress in the war on terror. The world is changing. And this country of ours will continue to do our duty, which is to find terrorists, bring them to justice through good intelligence and hard work and some brave souls, and at the same time, work to spread freedom and liberty around the world.

I'll answer a couple of questions. Tom [Tom Raum, Associated Press].

Implementing Intelligence Reform

Q. Mr. President, your CIA Director, Mr. Goss, said yesterday that he has to wear five hats now and that he was concerned there were some ambiguities in the new arrangement about his relationship with Mr. Negroponte and Secretary Rumsfeld. Do you feel there are such ambiguities, and will you move to—if there are, will you move to clear them up? And will this prevent—will this present a problem for the flow of intelligence in this time, this transition period?

The President. That's an excellent question. Porter and I have discussed this, of course, because I don't want there to be any interruption of intelligence coming to the White House, and there won't be. As a matter of fact, Porter Goss comes every morning with the CIA briefer to deliver the briefing. And that, of course, will go on. And it's—secondly, we don't even have Ambassador Negroponte confirmed yet. In other words, it's hard to implement reforms without somebody to be the reformer. And so the process is ongoing. Obviously, when his name gets up to the Senate, we hope there's a speedy confirmation.

But one of the purposes of the whole process, Tom, is to make sure that information flows are smooth and that efforts are coordinated. The CIA is the Central Intelligence Agency; it's the center of the intelligence community. But there's a lot of other intelligence gathering operations around Government. And the job of Ambassador Negroponte is to be—to take the information and make sure it is coordinated in its distribution to not only the White House but to key players in my administration. And so I'm confident that the process will work.

Obviously, one of the reasons I came here is because I know there's some uncertainty about what this reform means to the people of the CIA, and I wanted to assure them that the reforms will strengthen their efforts and make it easier for them to do their job, not harder. I'm glad I came out.

Terry [Terry Moran, ABC News].

Social Security Reform

Q. Mr. President, on Social Security reform, what's your judgment about where this process stands right now, with polls showing the public skeptical; some Republicans, like Senator Grassley, are seeming to back away from your proposal; and Democrats wanting to declare it dead.

The President. I would say this: I am—know we're at the early stages of the process. I've only had nine trips around the country so far—or nine States on my trips. I've got a lot more work to do. Now, I do believe we're making progress on the first stage of getting anything complicated and difficult done in Washington, and that is to explain the problem. And the surveys I have seen, at least, say that the American people understand we have a problem. And I'm going to continue going out to explain that to people, the nature of the problem. And the problem is, in 2018, the system starts losing money. In 2027, it's 200 billion in the hole, and it gets bigger every year thereafter. In other words, we can't pay for the promises we've made. That's the problem.

And my second phase of this explanation to the American people is to say to seniors who have retired or people near retirement, you don't have anything to worry about;

you're going to get your check. I've got a lot of work to do on that, and I understand that. But we're making progress. People are beginning to say, "We have a problem." The next phase, when people say we have a problem, is going to be, "What are you going to do about it?" And I'm willing to put out some ideas about what to do about it. In my judgment, ultimately, I think politicians need to be worried about not being a part of the solution.

And so I'm looking forward to continue to make the case. As you know, Terry—you have followed me a lot—I like to get out amongst the people. I get energized—I get energized by being with people, and I get energized when I think about taking on big problems, because that's why we got elected. The American people expect people to come together to solve problems. And I'm looking forward to listening to Republicans and Democrats. I said, "Put your ideas out there. There will be no political third rail when it comes to Social Security." Now is the time for good people of good will to come together and get the problem fixed.

Tax Reform

Q. Fed Chairman Alan Greenspan said today that a consumption tax, maybe even a national sales tax, might spur greater economic growth. What do you think about that?

The President. I think that I'm going to wait until the tax commission I put together, the reform commission headed by former Senator John Breaux, Democrat of Louisiana, former Senator Connie Mack, Republican of Florida, comes forward with some ideas. I told the American people I want to work to simplify the Tax Code and make it easier to understand, so people are spending less time filing paper, and I believe a simplified Tax Code will spur entrepreneurial activity. And so I'm looking forward to what the commission has to say.

War on Terror

Q. You mentioned Usama bin Laden earlier this morning, and you've said several times that there's progress being made on the war on terrorism. But more than 3 years after September 11th, you still don't know where he is. How would you assess the adequacy of the intelligence you're getting on bin Laden, and do you expect that he's going to be found any time soon, even within your second term?

The President. If Al Qaida was structured like corporate America, you'd have a chairman of the board still in office, but many of the key operators would no longer be around. In other words, the executive vice presidents, the operating officers, the people responsible for certain aspects of the organization have been brought to justice—a lot of them have been. And we are—spend every day gathering information to locate Usama bin Laden and Zawahiri, obviously people like Zarqawi. We're not resting on our laurels. We've had great successes, and—but that doesn't mean that we should stop.

And one of the reasons I came out here was to remind people that we've had great successes. I appreciate their successes—Khalid Sheikh Mohammed, Ramzi bin al-Shibh. I can go down the list. But there's more work to be done. And it's a matter of time. As far as I'm concerned and as far as the CIA is concerned, it's a matter of time before we bring these people to justice. And I can't thank the intelligence gatherers, the analysts, and the operators—I can't thank them enough for the sacrifices they're making.

Last question.

Iran/Syria

Q. Mr. President, on Iran, you spoke to Condoleezza Rice yesterday, we were told. What can you tell us about the pros and cons that you're weighing now as you reach a decision on going forward with the EU?

The President. Yes, let me just tell you how I see the state of action here. First,

I am most appreciative that our friends in Europe agree with the United States that Iran should not have a nuclear weapon, period—no ands, ifs, or buts. And I thought that was a very important statement from the leaders I met with. And by the way, Mr. Putin feels the same way. And to me that is a very—a positive start for achieving our common objective. First, you got to agree to the goal, and the goal is no weapon.

Secondly, I have told our European friends who are handling the negotiations on behalf of the rest of the world that we want to help make sure the process goes forward. And we're looking at ways to help move the process forward.

The guilty party is Iran. They're the ones who are not living up to international accords. They're the people that the whole world is saying, "Don't develop a weapon." And so we are working with our friends to make sure not only the world hears that but that the negotiating strategy achieves the objective of pointing out where guilt needs to be as well as achieving the objective of no nuclear weapon. And I felt good about our visits.

I did visit with Condi yesterday, and I'm about to go visit with her again in the Oval Office to discuss not only this issue but other key issues, including Lebanon, where the message is loud and clear from the United States and France and many other nations that Syria must withdraw not only her troops but her secret service forces out of Lebanon now. And I look forward to talking to Condi about getting an amplification on her visit with our allies overseas. I look forward to not only hear their words; I want to hear about their body language. I want to hear about their enthusiasm for the project. I think I'm going to find it was quite high because the people now understand that if you believe in democracy, why not let the democracy in Lebanon flourish and grow? And the United States of America strongly supports democracy all around the world, including Lebanon. And it cannot flourish so long as Syrian troops are there. It's time for Syria to get out.

Listen, thank you all. I appreciate seeing you.

NOTE: The President spoke at 3:11 p.m. In his remarks, he referred to John D. Negroponte, nominee to be Director of National Intelligence; former Senators Connie Mack, Chairman, and John B. Breaux, Vice Chairman, President's Advisory Panel on Federal Tax Reform; Usama bin Laden, leader of the Al Qaida terrorist organization; Ayman Al-Zawahiri, founder of the Egyptian Islamic Jihad and senior Al Qaida associate; senior Al Qaida associate Abu Musab Al Zarqawi; Khalid Sheikh Mohammed, senior Al Qaida leader responsible for planning the September 11, 2001, terrorist attack, who was captured in Pakistan on March 1, 2003; Ramzi bin al-Shibh, an Al Qaida operative suspected of helping to plan the September 11, 2001, terrorist attack, who was captured in Karachi, Pakistan, on September 11, 2002; and President Vladimir Putin of Russia.

Remarks on the Nomination of Stephen L. Johnson To Be Administrator of the Environmental Protection Agency
March 4, 2005

The President. Good morning. I am pleased to announce my nomination of Stephen Johnson to be the Administrator of the Environmental Protection Agency.

Steve Johnson is a talented scientist and skilled manager with a lifelong commitment to environmental stewardship. He has 24 years of experience at the EPA, spanning

all four decades of the Agency's history. Since late January, he has served as Acting Administrator. He knows the EPA from the ground up and has a passion for its mission, to protect the health of our citizens and to guarantee the quality of our air, water, and land for generations to come. I've come to know Steve as an innovative problemsolver with good judgment and complete integrity. I'm proud to ask him to become the first career EPA employee to hold the office of Administrator, and I'm glad he's agreed to do so.

When confirmed by the Senate, Steve will also become the first professional scientist to lead the EPA. He will use that background to set clear, rational standards for environmental quality and to place sound scientific analysis at the heart of all major decisions. Steve shares my conviction that we can improve the Earth while maintaining a vibrant and competitive economy. He will work cooperatively with leaders in government, industry, and environmental advocacy to continue using our resources wisely. He will listen to those living closest to the land, because they know our environmental needs best.

For the last 4 years, Steve has served at the side of EPA Administrators Mike Leavitt and Christie Todd Whitman, and he shares in their record of achievement. Today, America's air and water are cleaner than in 2001. The clean diesel rule we finalized will cut emissions from heavy-duty vehicles by more than 90 percent over the next 10 years. Our brownfields initiative has helped restore more than a thousand abandoned industrial sites to productive use in their community. We've taken landmark steps toward improving water quality in one of our Nation's most treasured natural resources, the Great Lakes.

All Americans are benefiting from the EPA's practical approach and emphasis on results, and Steve will build on that progress. His immediate task is to work with Congress to pass my Clear Skies Initiative. This innovative legislation will reduce powerplant pollution by 70 percent without disrupting the economy or raising electricity prices. The bill will give Governors the flexibility they need to meet strict new air quality standards, improve public health, and protect vulnerable ecosystems from acid rain. Clear Skies is a commonsense, pro-environment, pro-jobs piece of legislation, and Congress needs to get it to my desk this year.

Steve will also bring valuable experience that will help us improve our homeland security. As an expert on pesticides, he helped design new regulations to improve food safety. In his new role, Steve will lead Federal efforts to ensure the security of our drinking water supply. My budget includes a new program to better monitor urban water systems, so we can detect contamination as quickly as possible. EPA personnel are playing an important role in the war on terror, so my budget increases support for EPA homeland security programs by more than 70 percent this year.

As he embarks on all these duties, Steve has the trust and admiration of his longtime colleagues, the thousands of hard-working EPA employees across the country. He is also fortunate to count on the love and support of his wife, Debbie, and their children and grandchildren, who are with us here today—and his mother- and father-in-law. [*Laughter*]

I ask the Senate to confirm this nomination promptly. I look forward to welcoming Steve Johnson to my Cabinet as America's 11th Administrator of the Environmental Protection Agency.

Congratulations, Steve. Appreciate you.

[*At this point, Administrator-designate Johnson made brief remarks.*]

The President. Good job, sir.

Administrator-designate Johnson. Thank you.

The President. You bet.

Administrator-designate Johnson. Thank you very much, sir.

The President. Smile—smile for the camera. [*Laughter*]

NOTE: The President spoke at 8:45 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to Debbie Johnson, wife of Administrator-designate Johnson. The transcript released by the Office of the Press Secretary also included the remarks of Administrator-designate Johnson.

Remarks in a Discussion on Strengthening Social Security in Westfield, New Jersey
March 4, 2005

The President. Thanks for coming. Okay, let's get to work. Thanks for coming. A hundred years since a President has been here. I don't know what took the other ones so long to get here. [*Laughter*] Mr. Mayor, thanks. Mayor Greg McDermott, I appreciate your inviting me here, appreciate you being at the airport. I appreciate you and the local officials putting up with the entourage. Thank you all for coming.

My regret is Laura is not with me. She is doing great, though. She is a fabulous woman, and I'm a lucky guy that she has agreed to marry me.

I've got some things I want to talk about. I want to talk about freedom and peace. I want to talk about growing this economy. I want to talk about Social Security.

Before I do so, I do want to say thanks to Congressman Mike Ferguson for his great leadership in the House of Representatives. And Maureen—good to see you, Maureen. I see her. She's doing great. Thanks for coming.

Rodney Frelinghuysen is with us. Rodney, thank you, sir. Rodney and I were talking about, on Air Force One, how hard it is to be a baby boomer and trying to jog. [*Laughter*] Part of the problem we're going to face in Social Security is there's a lot of baby boomers like me and Rodney who are getting ready to retire. But I'm going to wait a little bit and talk about that.

I want to thank Scott Garrett for joining us—Congressman Scott Garrett. I'm very honored that Congressman Steve Rothman is with us. I'm honored you're here, Congressman. Thanks for coming. I appreciate you coming. Thanks for being here.

I want to thank—there's a Congressman you probably have never heard of, or maybe you have. I shouldn't do that. I mean, that's unfair. I'm going from New Jersey to South Bend, Indiana, and a good fellow from South Bend, who happens to be the Congressman, said, "Can I have a ride?" And I said, "You bet." And his name is Chris Chocola, from South Bend, Indiana. Congressman, thanks for coming.

Mike Chertoff—anybody ever heard of him? He's now at the Department of Homeland Security—raised right here. So we're standing on the stage during the swearing-in—or maybe right before or right after—and he said, "Tell the home folks thanks." So, okay, Chertoff said, "Thanks." And I say thanks to Mike Chertoff for agreeing to serve in the Department of Homeland Security. He has got a big job. But he's capable of handling that job, and that job is to do all we can to make sure all Federal agencies work together to protect the American people.

And speaking about protecting the American people, I want to thank the family members and the supporters of the Guard unit right here from this armory that is in Iraq right now. When you e-mail your loved one, tell them the Commander in Chief is incredibly proud, and so is the rest of the country. And we are thankful

for the sacrifice and service not only of the men and women who wear the uniform but of their families as well.

I want to thank—welcome Jason Reed, 2004 Olympic Gold Medalist in rowing. I appreciate you coming, Jason. Good job.

Today when I landed, I met John Herrmann. John is a volunteer with the retired and senior volunteer program of Union County, New Jersey. What he does—he knows something about accounting, and so at tax time he helps the disabled or low-income or elderly individuals fill out their tax forms. What he is—he's a soldier in the army of compassion. He's a person who has taken his life—time out of his life to lend his talent to help a neighbor in need.

And the reason I bring that up is there's all kinds of ways to serve our country. We've got those wearing the uniform serving our country, whether it be abroad or here at home. But you can serve your country as well by feeding the hungry or finding shelter for the homeless or helping a low-income person fill out a tax reform [form]*. You can serve your country just like John Herrmann is by volunteering and loving a neighbor just like you'd like to be loved yourselves. If you want to serve America, do so by helping save a soul and save a life. This country's real strength is the hearts and souls of our American citizens.

We're living in amazing times. You know, we're—I want the youngsters here to just remember the times in which you are growing up. In Afghanistan, millions voted for a President. The Palestinians elected a new leader. In Iraq, over 8 million people, in spite of the violence, in spite of the threats, said, "We refuse to be intimidated. We're going to vote. We want to be free."

Freedom is a powerful force for good. That's what the youngsters have got to recognize—and that freedom is just not a Western idea; freedom is not an American idea; freedom is a—in my judgment—a gift from a higher being, a higher power. Everybody desires to be free. And the job of the United States is to work with others to help people realize what's deep in their soul, and that is the desire to live in a free society. And it's in our interest we do so.

Many of you were affected by the attacks of September the 11th. We'll stay on the hunt. We'll disrupt Al Qaida. We'll find them wherever they hide. But I will tell you the long-term solution to defeating hatred and hopelessness and the dark vision of Al Qaida and the likes of them is to spread freedom and hope around the world. And that's what you're seeing today.

It's an amazing time. I just came back from Europe. I had a great trip. I want to thank our friends overseas for being such wonderful hosts to Laura and me. I sat down with the French President, and we came—we understand some things. And one of the things we really understand is that Syria—Syrian troops, Syrian intelligence services, must get out of Lebanon now.

Lebanon is a democracy. Lebanon is a democracy, and we strongly support that democracy. I was pleased that Crown Prince Abdullah of Saudi Arabia sent the very same message. The world is beginning to speak with one voice. We want that democracy in Lebanon to succeed, and we know it cannot succeed so long as she is occupied by a foreign power, and that power is Syria. There's no half measures involved. When the United States and France and others say, "Withdraw," we mean complete withdrawal, no half-hearted measures. And those of you who are trying to analyze our foreign policy, just remember, democracy leads to peace, the peace we all want for our children and our grandchildren.

The economy is getting better. Today we got some good news. We added 262,000

* White House correction.

new jobs last month. The national unemployment rate is 5.4 percent. It's 4.2 percent right here in the great State of New Jersey, and that's good news. But we're living in a dynamic world. Things change, and the fundamental question is, what do we do to keep our economy growing? I've told the Congress one way to do so is to make sure we've got certainty in the Tax Code. They need to make the tax cuts permanent.

I sent up a budget that says I understand we need to do something about the deficits, and I'm looking forward to working with the Budget Committees in both the House and the Senate. I thought it was pretty smart of me to say to the American people at the State of the Union, we're going to be wise about how we spend your money, and if a program is not working, we're not going to spend the money on it. Seems realistic and logical.

I want to thank the House and the Senate for getting a good piece of legal reform to my desk. One way to make sure the economy continues to grow is to make sure the scales of justice are balanced. They were not balanced when it came to class-action lawsuits. Too many class-action lawsuits were driving too many good people out of business, which meant people weren't able to find a job. And so we reformed the class-action lawsuit system in America for the better. And they need to do the same thing on asbestos reform and medical liability reform.

I can spend a lot of time on a lot of subjects, but Laura told me, "You're going to have some panelists up there. Give them a chance to speak." [*Laughter*] I will in a minute. [*Laughter*] I know, I'm going on too long. I'm just getting warmed up, then. Here we go. Let me talk about—let me get right to the subject at hand. I've asked some of our fellow citizens to join us on an incredibly important subject, and that's Social Security.

First, let me say to you that the Social Security system has been a very important system, and I understand that. Social Security has provided a safety net for many retirees, and that's an important safety net. But the safety net has got a hole in it, and we need to make sure we save that safety net for future generations of Americans to come.

The first thing I want to tell you about Social Security is that if you're getting your check, nothing will change. No matter what the talk is about reform, nothing will change. I don't care what the ads say. I don't care what the scare tactics say. You're going to get your check, just like the Government said. The problem isn't for the seniors. The problem is for the youngsters coming up; the question is, will you get your check? Will we be able to keep the promise?

A lot of people say, "Well, Mr. President, you're talking about Social Security. It's called the third rail of American politics. That means, if you touch it, you get a huge electric shock. Now, why are you talking about it?" Well, you're going to hear me describe the problem. But I think we have a duty in elected office to confront problems and not pass them on to future Presidents, future Congresses, and future generations.

I didn't run for office to dodge problems. And I don't think the American people—I don't care what your political party is, they don't—I think the American people expect us all to confront problems and deal with them in a fair, open way. That's what I think.

Now, let me tell you why I think we got a problem. And me and Rodney are part of the problem; we're baby boomers, and we're fixing to retire. Matter of fact, a lot of us turn 62 in 2008. That's the time you start to retire, and there's a whole lot of us. Yet we're living longer. We're living longer than the previous generations of Americans. So you got more people retiring who are living longer, plus we have been promised greater benefits than the previous generation. So we got more people living longer getting bigger benefits. And

the problem is, is that the number of people paying into the system is shrinking.

If you look over here, in the fifties, 16 people were paying into the system to pay for one retiree. So if that person was to get $14,200, say, it would be $900 a payer. The system now is 3.3 people paying into the system. In a decade, it's going to be two people paying in the system.

Now, this is a pay-as-you-go system. In other words, it says when you retire, somebody is going to have to pay for your benefits. This is not a savings account. One of the myths of Social Security is that your money is going into it and the Government is holding it and saving it for you. That's not the way it works. Your money is going into the system, and it's getting spent, some of it on retirement benefits, other parts on just general Government. And there's an IOU, a paper IOU accumulating. But it's not just sitting there. There's not an account with your name that's saying, on behalf of you, the Government has now got your money. That's not the way it works. So it's a pay-as-you-go. It goes in and goes out.

Now, let me give you some numbers about the consequences of what we're talking about, and this chart says it pretty good. Right now, there are more people paying in—the money coming in on payroll taxes is greater than the money going out, and that's the black part of the chart. But very soon, in a very quick period of time—as a matter of fact, in 2018—the money going out exceeds the money coming in, in Social Security. In other words, baby boomers like me, who will be living longer and have been promised greater benefits, are going to start saying, "Send me my check." And those of you paying in are going to start to have to pay into a system that is going into the red every year. As you can see, that number gets worse and worse as time goes on.

In 2028, the number of—the amount of the money that needs to be paid in order to make the promises is 200 billion a year above and beyond payroll taxes. And it gets bigger every year. It gets into 300 billion a year. So when you got more money going out, in terms of the promises made to baby boomers retiring and fewer people paying in, this thing gets into the red in a real hurry. That's why I say we got a problem.

Now, 2018, some would say, "That's not—that's pretty far down the road, isn't it?" Think about that—2018, if you're a mom with a 5-year-old child, that person's going to be driving, and you're going to get gray hair before you know it. [*Laughter*] I mean, we're talking about right around the corner, when you think about it. Those of us in public office must look down the road. We can't say, "Well, don't worry. I'm on a 2-year term," or "I'm on a 6-year term," or "I'm on a 4-year term. We'll just let somebody else deal with it," because the longer you wait, the harder the problem is.

Imagine waiting until 2018, and you're a young worker, and the Government says, "Oh, by the way, I'm going to have to raise your payroll taxes again in order to pay for the benefits we promised," or, "We're going to have to slash this program, that program." I mean, eventually, when you're spending at least 200 billion above and beyond that which you've got in payroll taxes and increases every year, something drastic has to happen. If we act now, we can do so in a way that saves the system for younger workers.

I'm going to tell you again; I'm going to keep saying it all around the country—and I like doing this, by the way. I like going around the country saying, "Folks, we have got a problem." And I like saying to people, don't worry about it if you've been born prior to 1950. Nothing changes. You're going to get what you're promised. But I'm also saying to younger workers, you better listen carefully to this debate because you're the ones who are going to have to pay for it. And if I were you, I'd be saying, "Well, if we have a problem,

Mr. President, what do you and the Congress intend to do about it?"

Right now we're wondering whether we've got a problem. I've been reading the newspapers and been seeing some folks saying, "There's not a problem. He's just exaggerating." Well, I'm going to keep telling people we've got a problem until it sinks in, because we've got one. The facts are irrefutable. You can't dodge whether we have a problem or not. Because, see, the next follow-on question to that is, "If you've got a problem, what do you Republicans and Democrats and a few independents intend to do about it up there? Are you going to sit around and play politics? Or are you going to get it to table and do your duty as public servants?"

And so I started that process. When I gave my State of the Union, I said, "Put your ideas on the table." I said, "Come on, bring some ideas forward. We have an obligation." And I reminded people that Senator Daniel Patrick Moynihan had some good ideas. President Clinton, my predecessor, had some good ideas. Former Democrat Congressman Tim Penny had some good ideas—all of them interesting ideas that need to be in the mix in order to permanently solve this problem. And so I want to say again to folks who are listening here today, I'm really interested in working with members of both parties to be able to say we've done our duty.

Now, I've got some ideas, and I wanted to share one of the ideas with you right now. I believe in order to make the system work better for younger workers, they ought to be able—be allowed to, at their choice, to take some of their own money and set it aside in a personal savings account. That's what I think we ought to consider.

Let me tell you why it makes sense to me that—first of all, the Government can't meet its promises. But one way for a younger worker to come close to what the Government has promised is to be able to take a portion of the money and get a better rate of return on your own money than that which the Social Security system gets. See, there's something called the compounding rate of interest. That's when you set aside a dollar or a series of dollars, and it grows over time. And obviously, if the rate on your money is 2 percent, it will grow at a certain pace. If it's 4 percent, it grows double that. And right now the money—your money is earning very little compared to what you can get in conservative stocks and bonds and investments. I'm talking conservative; I'm not talking about lottery, taking it to the track—[*laughter*]—a conservative mix of stocks and bonds just like Federal employees get in the employee Thrift Savings Plan. And just like we give people who work for the Government, you can take some of your own money, set it aside, and watch it grow.

Do you realize that if you're a person who earns an average of $35,000 a year over your working career, $35,000, and you're allowed to take—put 4 percent of the money—the payroll tax aside in a personal account, and you hold it over time, that when you retire, you'll save a quarter of a million dollars. That's your money. That money, by the way, the quarter of a million dollars, is the capital account. Now, you can't spend all that the minute you retire. This is a retirement account we're talking about. But it's your money, and the interest off that money goes to supplement the Social Security check that you're going to get from the Federal Government. See, personal accounts is an add-on to that which the Government is going to pay you. It doesn't replace the Social Security system. It is a part of making—getting a better rate of return, though, so—to come closer to the promises made. That's important to know.

Secondly, you just can't take it all out. I mean, it's a retirement system. There will be rules about withdrawal. You can't put it in certain things if you—start-ups. There are guidelines to encourage you to make the right kind of investments. Now, you

can alter stocks and bonds and different things—your choice. But it's been proven that when you hold money over a period of time in safe, conservative investments, it gets a better rate of return than the money you get in the Social Security system. So there will be guidelines about what you can invest in.

We've got to make sure the system is fair to poor Americans. And so there's ways to make sure the benefit structure is fair. But let me talk to you about investing. There's a certain notion in America that the investor class is only a certain type of person. I just don't believe that. I don't subscribe to that. I don't think that's what America is about. I think we ought to encourage people from all walks of life to own something. I think ownership is a vital part of being a productive citizen in our country. I think we ought to encourage ownership, not discourage ownership. And I think we ought to recognize people from all walks of life are plenty capable about managing their own affairs.

I'm getting ready, hold on. I'm winding down here. [*Laughter*] Think about a system where you've accumulated a nest egg of your own—the 35,000-a-year person, a quarter-of-a-million-dollar nest egg—and that when you pass on, you can leave it to whom you want. In other words, that person can then take it and spend it tomorrow if they feel like it. But it's your asset. See, it's your money to begin with.

The Social Security system today—if you're a young widow and the money your husband put in, there's nothing there. There's no asset. There's a Government promise that at a certain age you'll get a stipend. But there's no assets there, see? And so what we're talking about is really changing how the system works so that your money can earn a better rate of return, and that after your—when you pass on, you can pass that money on to whomever you want. So we're talking about helping people build up an asset base, which I think is a vital part of a stable future. It also has the added benefit of providing more savings. And when there's more savings, there's more investment. And when there's more investment, there's more jobs. It will be good for the economy as well.

So I'm interested in this idea. I'm excited about it. I've spent a lot of time talking about it to people. I understand we're going to have to explain to people, over time, when we talk with Congress, how this works. I've said it makes sense to phase it in very slowly so that we can better afford the transition cost to go from one system to another. But I'll tell you this: If we don't act, we're looking at about an $11 trillion hole for the American taxpayers that are coming up. This is a big liability—not for me and baby boomers. We're fine. Rodney and I are just fine. We lucked out when it came time to—the year we were born.

But if you're born—if you're a young worker, you've got a problem. And I repeat, I hope—I hope that as time goes on and this debate goes forward, that you understand the power of your voice to say to people, "We've seen enough of this, 'We're not going to move because somebody might look good,' or, 'We don't want to do it because my political party told me not to do something.' " Now is the time to get rid of all that—all that deadlock in Washington, and focus on the problem for the good of the generation to come.

All right. Olivia Mitchell is with us. Olivia, tell us what you do.

[*At this point, Olivia Mitchell, executive director, Pension Research Council, Wharton School, University of Pennsylvania, and former member, President's Commission to Strengthen Social Security, made brief remarks.*]

The President. Well, I appreciate that, Olivia. It is very important—[*applause*]. Thank you all. It is very important for those folks—and listen, I understand there's a lot of people who rely exclusively on their Social Security checks, and I know that. And

it is very important for people to not be frightened by the discussion about making sure your grandchildren have got a system around. I mean, one of the great things about the generation who now relies upon Social Security is there's a deep concern about generations coming up. And this really is a generational issue, and I want to thank you for bringing that up.

Speaking about that, we've got John Bligh with us. Welcome.

John Bligh. Hi, Mr. President.

The President. How are you?

Mr. Bligh. Fine, thank you.

[*Mr. Bligh, senior citizen, East Northport, NY, made brief remarks.*]

The President. Well, I appreciate you, John. Thanks, good job. Thank you, very good.

See, I think the operative word is that he's not worried about getting his check—counts on his check, not worried about it. That's what I—one of the things I'm going to continue saying around this country, and by the way, this is State number 10, and tomorrow is 11, and I'm keeping moving. I just say I'm going to a lot of places. I'm not going to go away on this issue because it's vital, and we've got to do something for the younger folks.

And the fact that John said he's not worried about the check, the check that he's been promised, is an important statement. He said, "I need it, and I'm not worried about it." And I want others to hear that as well.

Then he invited—Lisa—who invited who? Did you invite Dad, or did he invite himself?

Lisa Engler. Well—I'm sorry—the truth of the matter is, I need my parents on a regular basis to help me, because I have five children——

The President. Five kids, that's good, yes.

Mrs. Engler. ——and I really can't do it all on my own. So anyway, yes, I'm Lisa Engler. I'm here with my husband, Will. We have five children.

The President. Right. John is your dad.

Mrs. Engler. And my dad. And Social Security, of course, for me is an issue, because not only did I work in the workforce for 10 years and saw a big chunk of my money go into Social Security, and all the senior managers telling me, you know, "It may not be here for you. Invest in 401(k)," but now, looking at the numbers and everything, it's very frightening as a parent. I have a 3-month-old daughter who, at the age of 65, this system will be bankrupt for almost 30 years. It's frightening.

The President. In 2042, it goes broke, for good. It not only goes in the red, but whatever paper is available in the form of IOUs is gone. I mean, it's just—it's a fact.

Mrs. Engler. And there's no getting around it. I mean, we all know it. We all heard——

The President. No, not everybody knows it yet. They're going to know it.

Mrs. Engler. Oops.

The President. You know it. It's all right.

[*Mrs. Engler, stay-at-home mom, Westfield, NJ, made further remarks.*]

The President. There you go. [*Laughter*] Yes, and not only that—that's a good—very good. And not only do you watch your money grow, but you watch people making decisions about the economy. In other words, there's a certain sense of when you own something, you actually own a stake, and the future matters a lot.

You know, I love the fact that more people are owning their home in America than ever before. I love the fact that people are owning their own business in America, people from all walks of life. And I think it makes sense to encourage ownership when it comes to retirement systems.

Carlos Pagan.

Carlos Pagan. Thank you, Mr. President.

The President. First of all, he's a firefighter, and I'm proud of you.

Mr. Pagan. Thank you, Mr. President.

The President. Good job. All right, where are you a firefighter?

Mr. Pagan. I'm a fireman in the city of Paterson.

The President. Good, yes. Thank you. Staying in good shape?

Mr. Pagan. Yes, sir.

The President. One thing about those firefighters, they stay in good shape. You also——

Mr. Pagan. I own a real estate company in the city of Paterson. Again, my name is Carlos Pagan. I'm 33 years old. I'm raising two kids. I have a daughter named Vanessa; she's 15.

The President. No, you're not 15. [*Laughter*]

Mr. Pagan. And my son, Steven; he's 13.

The President. So like, teenagers?

Mr. Pagan. Yes, sir.

The President. Yes—I've been there. [*Laughter*]

[*Mr. Pagan, owner, Century 21 Northern Realty, and firefighter, Paterson, NJ, made further remarks.*]

The President. Let me tell you an interesting statistic. You know, Carlos—I was getting ready to tell you, the other day I was at one of these forums, and the person said, "People like me"—see, she had read a survey that said people her age thought they were likely to see a UFO before they'd get a Social Security check when they retire. [*Laughter*] Kind of an interesting observation, isn't it? [*Laughter*] So here's Carlos, a firefighter, saying, "Just give me a chance to manage some of my own money."

Things have changed in America since I was Carlos's age. I don't remember 401(k)s when I was 30 years old. Maybe they were there; I just wasn't observant of it. I don't think 401(k)s came into being. I don't think there was this notion of defined contribution plans. So here we are, talking to a brave firefighter, talking about, "Give me a chance to contribute to my own plan." It's kind of interesting, isn't it? It's an interesting shift of attitude. There's a lot of folks that may not realize this; there's a whole kind of investor culture that is growing up throughout the whole younger generation. People are used to it, used to the concept of opening up a quarterly statement and saying, "Look at my asset base. Look how it is growing."

That's an important thing that people need to hear, particularly people in the United States Congress, that we're not talking about a foreign idea of allowing people to take some of their own money, in order so that that money can grow at a better rate than that which is in the Government, so that when they come to retire, it can be closer to the benefits promised by the Federal Government. That's what we're talking about.

I think it's interesting, don't you, that Carlos is—he's got an entrepreneurial spirit to begin with, right? When did you start your own business?

Mr. Pagan. Seven years ago, sir.

The President. Making a living?

Mr. Pagan. Yes, doing all right.

The President. That's good, yes. It's what we like to hear. [*Laughter*] Employing people?

Mr. Pagan. Yes, and this summer, I'm going to employ my daughter for the first time, and she'll be able to contribute to Social Security.

The President. That's good. Good job.

Okay. Brian Dougherty. Welcome.

Brian Dougherty. Thank you, sir. It's a pleasure to be here, Mr. President.

The President. Glad you're here. Age?

Mr. Dougherty. Twenty-three.

The President. See, he's nervous, and should be. Not about sitting up here—[*laughter*].

Mr. Dougherty. I'm 23 years old. I live in Hoboken, New Jersey, now. I'm a sales manager at the Hilton Short Hills around the corner.

The President. Business all right?

Mr. Dougherty. Business is good.

The President. You deserve a promotion, then, what the heck. [*Laughter*]

Mr. Dougherty. Well, thank you. Maybe if we can get you to stay in the Presidential suite, which is calling your name.

The President. Very good.

Mr. Dougherty. Your next overnight trip, sir.

The President. That's called turning the tide on the old boy, you know. That's good. [*Laughter*]

[*Mr. Dougherty made further remarks.*]

The President. It's interesting, isn't it? Listen to this 23-year-old guy. He's saying, "I've analyzed it. I started to pay attention to it. And when I looked at the math, I realized I'm going to be on the short end of the stick." In other words, you can put all the money in you want, but because of the demographics and the math, there's not going to be anything left. You're just paying for me, and I—and I appreciate it. [*Laughter*] We're happy you are. The question is, will you be paying for anything for yourself? And the answer is, not unless we reform this system. That's what the message is here today.

Keep going, you're on a roll. Keep going.

Mr. Dougherty. The other thing, Mr. President—we had an opportunity to speak backstage, and I appreciate your listening. I'm here to ask that Congress listens. You don't see many 23-year-olds on the MSNBC circuit or anything like that at nighttime, but we have something to say, and we're concerned about the issue.

The President. Yes. You sure do have something to say. See, here's the thing about this issue. I actually ran on it. I said, "Vote for me, and I'm going to do something about Social Security, and I'm going to try to put out some innovative ideas to fix it." And in the past, people would say, "Don't campaign on Social Security; you'll get beat." It used to be politically that if you just said something about it, they would run ads saying, "Well, Bush is going to take away your check." And they actually did that in 2000, I was told. And fortunately, when I ran the next time, I was able to say, "Well, we didn't take away your check."

But I'm still talking about it because I think it's an issue we need to talk about. I think it's an important issue. And the dynamics have changed. Young people are beginning to say, "What about my check? What's going to be around for me?"

This is a generational issue. People born from 1950 and before have nothing to worry about; the promise is going to be made. The fundamental question is, will the Congress have the will and the desire to work with the administration so that we can say to people like Brian and Carlos and everybody else up here that are born after 1950, "We hear your voice, too. We know you've got a concern, and we want to make sure this very important system, the retirement system, is modernized and reformed so you'll have the safety net when you retire as well."

Listen, I want to thank you all for giving us a chance to discuss this. I want to thank our panelists. God bless. Thanks for coming.

NOTE: The President spoke at 10:56 a.m. at the Westfield Armory. In his remarks, he referred to Mayor Gregory S. McDermott of Westfield, NJ; Maureen Ferguson, wife of Representative Mike Ferguson; President Hamid Karzai of Afghanistan; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; President Jacques Chirac of France; and Crown Prince Abdullah of Saudi Arabia.

Remarks in a Discussion on Strengthening Social Security in Notre Dame, Indiana
March 4, 2005

The President. Thank you all. Please be seated. Thanks for coming. More importantly, thanks for letting me come. We're here to have a dialog with some of our fellow citizens about Social Security. But I've got some things I want to share with you before we get there.

First, this is a serious conversation, and it's an important conversation. This is a conversation about the future of the country. And I want to thank Father Malloy and Father Jenkins for letting us come to this fantastic—letting me come back to this fantastic university. I come back as a graduate—well, kind of a graduate. I got a degree—[*laughter*]—honorary degree. [*Laughter*] For all you C students out there, it's amazing what can happen to you if you keep working hard. [*Laughter*]

It's such an honor to be with Father Hesburgh as well. What a great American. I'm proud to be in your presence, sir.

I'm glad to be here with my man, Mitch. Governor, we miss you. He was a solid member of my Cabinet, and he's a solid buddy.

Laura sends her best, by the way. She is doing great. Believe it or not, she's in Death Valley, California, looking at wildflowers. [*Laughter*] She loves flowers, and I love her.

I appreciate Congressman Chris Chocola. He is a strong leader. See, I've been up there long enough to be able to determine who knows how to lead and who's just up there holding office. You've got a leader in Chris, and I appreciate your leadership. Congressman Mark Souder is with us. Mark, thanks for coming; appreciate working with you as well.

I know the attorney general is here, Attorney General Steve Carter. Thank you for being here, General. Mayor Luecke is with us. Mr. Mayor, I'm honored you're here. Thanks for—you tell those firefighters and policemen how grateful I am for them having to stand out in the cold to deal with my entourage. But thanks very much. Mayor Jeff Rea, good to see you, Jeff. Thanks a lot.

Most of all, thank you all for sharing your time and paying attention to some crucial issues. First, I do want to talk a little foreign policy. You know, I believe deep in everybody's soul is the desire to live in freedom. I told a lot of people around the country that freedom is not America's gift to the world; freedom is the Almighty's gift to each person in this world. And that's what I believe.

And I know we've got some students here, and you're living in an amazing—we're all living in amazing times, when you think about what has taken place in a brief period of time. I mean, millions voted in Afghanistan to elect a President. That country has gone from darkness to light because of freedom. The Palestinians have elected a new leader who is showing courage. And I believe someday soon there will be a Palestinian state living side by side with Israel in peace. The Iraqis defied the terrorists and went to the polls by the millions because they want to live in a free society.

The desire for people to self-govern and to live in a free world is catching on in parts of the Middle East. In Beirut, Lebanon, thousands of people took to the streets in peaceful protests because they're saying, "We want to live in freedom as well." And now it's time for Syria to end its occupation of that good democracy. They need to remove all their troops, all their secret services. They need to listen to the voices of not only the United States and France and other European countries but the voices of people like Crown Prince Abdullah from Saudi Arabia. The leader of

Syria must understand the world is speaking with one voice: Lebanon must be free.

And the reason that's important is because free societies will help keep the peace, the peace we all want, the peace for generations to come, so young and old can grow up in a peaceful world regardless of your home country. I believe this world is becoming more peaceful. And when it becomes more peaceful, all of us who've been involved in public policy and all who've served our country can know we have done our duty for generations to come.

We got some good news today about the economy. The economy added 262,000 new jobs last month. The entrepreneurial spirit is strong in America, and we need to keep it strong. These jobs were added because—I think—of good policy, which said, "How can we stimulate small-business growth? What can we do to make sure the entrepreneur is doing well, not only in Indiana but around the country?" And the fundamental question is, what do we do now?

I believe firmly that the scales of justice are not balanced in America. We need legal reform. We got a good class-action bill to my desk. Republicans and Democrats supported it. We now need to get asbestos reform so people don't get driven out of work. And I'll tell you another reform we need in the Halls of Congress. We need medical liability reform so good doctors aren't run out of practice.

Laura told me, she said, "Make sure when you get up there, remember, you've got some panelists, so don't do all the talking." But I've got a lot to say. [*Laughter*] We're doing great in Washington. We're working hard to make sure that there's a new spirit that—where people decide to set aside politics and work on problems, and one of the biggest problems we face is Social Security.

Let me first start off by saying something really important, and we'll talk about this as this discussion goes on. If you're relying upon Social Security today, nothing will change. I don't care what the ads say, what the politicians say. You're going to get your check. That's just the way it is. That is a fact. The problem for Social Security is not for those who now depend upon it. Listen, Social Security has been a great safety net. It's been a vital part of our country. But we're getting some holes in the safety net, particularly for younger generations of Americans.

And you're probably wondering why somebody who has been in politics is talking about Social Security. After all, it's been called the third rail of American politics. You grab ahold of it, and you get electrified. I'm talking about it because I see a problem, and I believe I have a duty as the President of the United States to bring problems forward for public discussion. So I'm traveling our country, which I like to do, by the way, talking about the problem and reassuring seniors that you don't have anything to worry about—unless you're worried about your grandkids, like most seniors are.

And here is the problem: Baby boomers like me are getting ready to retire. Starting in the year 2008, a lot of us will turn the age of 62 years old. We're the—that's where the leading edge of the baby boomers are—that would be me. Is that you, Mitch? Almost, yes. [*Laughter*] You don't look it. We've got a lot of us. See, there's a bulge of retirees getting ready to retire. And we're living longer than the generation before us. You've got a lot of people getting ready to retire who are living long years. And yet the Government has promised us benefits that are much greater than the previous generation's. So you're beginning to get a sense for the math: A lot of people living longer, being promised greater benefits.

And the problem is, as you can see on this chart, that the number of workers paying into the system is shrinking dramatically. In the fifties, it was 16 to 1, 16 workers paying into the system for every retiree.

So that if you took the average compensation today for the Social Security retiree—it's 14,200—that would be each worker would pay $900 to make sure that one person got their benefits. Today, it's 3.3 to 1, and soon it's going to be 2 to 1. More people living longer, getting greater benefits with fewer people paying into the system. The math just doesn't work any more.

Now, this is a pay-as-you-go system. The checks come in, and the checks go out. Some of you probably think, when you think about the Social Security trust, that there is a bank account with your name on it, that the Government is dutifully collecting your money so that it will accumulate over time and pay it out. That's not how it works. That's not the way it works. The money is coming in, and the money is going out. And if there's extra money above and beyond the promises made to Social Security retirees, that money is going to pay for other Government programs. I hate to tell you, but that's just the way it's working. And what has happened is you got a bunch of paper accumulating in the form of IOU. But this is a pay-as-you-go system. It is not a savings system.

Now, when you get more people retiring who are getting greater benefits and are living longer, with fewer people paying in, at some point in time the system starts to go into the red. Right now, on that chart you can see, there's more money coming in than going out. But in 2018, there's more money going out than coming in. That's the beginning of the trust beginning to become depleted. I mean, it's the beginning of the IOUs being dissipated.

Let me tell you how bad it will be if we don't do anything. In the year 2027, the Government will need to raise $200 billion more than the payroll taxes just to make good on the promises. And it gets worse the next year and the next year and the next year. It's up to about 300 billion by 2030-something. And in 2042, the system is flat broke. All the IOUs have been gone.

So we've got a problem. I don't care how you look at it; it is a problem. It is a problem that I think needs to be addressed. The longer you wait, the harder it is to come up with a solution. Imagine if this Government of ours does nothing at this point in time on Social Security, and you've got a 5-year-old child. When that child turns 18, the system goes into the red. When that child turns 28, it requires billions of dollars to make good on the promises to people like me. When that child—in the year 2027, that child and other workers are going to be confronted with at least a $200 billion deficit per year to make good on the promise. So my first mission is to travel around this country saying to folks, "We've got a problem," and to remind seniors that nothing will change, that you'll get your check.

And if I'm successful at doing that, then all of a sudden you can imagine where the debate will go. The American people will start saying, particularly the younger Americans who are going to have to pay for this, will start saying, "What you going to do about it? If you see a problem, Mr. President and Congress and Senate, what do you intend to do about it in order to make sure there's a retirement system and safety net for future generations of Americans?" And I understand that.

And that's why at my State of the Union, I stood up and said, "Bring your ideas forward. This is no longer the third rail of American politics. I don't care if it's a Republican idea or a Democrat idea. I'm interested in knowing what's on your mind as to how to permanently fix, permanently solve this problem." And I mentioned that President Clinton and Senator Moynihan and many Democrats who've come up with interesting ways, interesting ideas, a variety of options to fix the situation. Now, I realize I've got a duty to participate as well. First thing I'm going to do is keep traveling the country over and over and over again, making the point, we got a problem and now is the time to act.

But I want to share with you an interesting idea, an idea that I think will make America a better place, and that is I believe that as part of a Social Security reform package, younger workers ought to be allowed to take some of their own money—remember, when you pay in payroll taxes, it's your money, it's not the Government's money; it's your money—you ought to be allowed to take some of your own money and set it aside in a personal savings account that you call your own. And here are the benefits—and here's the benefits as I see them. First, there's something called the compounding rate of interest. In other words, if you set aside dollars over time, they will grow with interest, and it compounds. It gets bigger and bigger and bigger.

Now, you say, "Well, why can't that happen with my own money now?" Well, it can. But it is a paltry rate of return compared to conservative stocks and bonds. If you put your money in a conservative mix of stocks and bonds, the rate of return you'll get on your money is significantly greater than that which the Government is getting for you. And that's important.

Take, for example, the idea I've suggested to Congress that a worker ought to be able to take 4 percent of the payroll taxes and set it aside in a personal account. And if you average $35,000 over your life as a worker and set aside that money in a personal savings account, over time, the money you've set aside will grow to $250,000. That's on a worker earning $35,000. That's your money, $250,000. Now, what would that be used for? That would be in addition to that which the Government can afford to pay you. In other words, a personal account is on top of the check you're going to get. The Government can't possibly pay the promises we have made, as you've seen from the charts. It's just impossible to do so. So my idea is to let you take some of your own money, set it aside, let it earn interest over time, let it grow, let it compound with interest so that the money you end up having for retirement is closer to the promise the Government has made.

Second benefit: It's your money, and when you pass on, you can leave it to whomever you want. That's not the way the system works today. The system works today—it will help a family who—where a wage-earner has died suddenly, because that money is now available to be spent for that family. We'll talk to somebody who went—had an issue along these lines.

I'll tell you another thing I like about it. I like the fact that people can own money. There is a myth in America that only certain people can be an investor, the investor class. You've heard that discussed before. I guess that's kind of the pinstripe, Wall Street types. That's not what I think about America. I think everybody in this country has got the capacity to manage a personal account. I think everybody should be allowed to be able to take his or her own money and watch it grow over time.

Now, you can't put it in the lottery. You can't take the money and shoot dice with it. There will be guidelines. There will be a conservative mix of investments. And guess what—guess where you can find a go-by for this type of system? Federal employees are allowed to do just this, in the Federal employee thrift benefit plan. That's exactly what happens at the Federal Government right now. They say, "If you're working for the Government, you can set aside some of your money and you can invest it in a conservative mix of stocks and bonds so that you can get a better rate of return."

Fourth, I think it makes sense to have people open up a quarterly statement and watch how their wealth is growing. It certainly would cause people to pay attention to what's happening in Washington, DC. It will make people wonder what the policies are—are the policies that are being articulated good enough to continue to make sure our economy continues to grow? In other words, when you own something,

you have a stake in the future of the country.

So I think this is an idea worth discussing, and I put it out there for people to debate and listen to and argue about. But one thing is for certain that Congress needs to know, that we have a problem that needs to be addressed. And if somebody has got some better ideas, I'm looking forward to hearing them. I'm looking forward to the people around our country saying to the elected Members of this Congress of ours, "We've got a problem. Now we expect you as an elected leader to come to the table and solve it now, before it is too late." And that's what I want to discuss here.

By the way, I'm really excited about the opportunity to fix Social Security. That's why we run for office. Someone said, "It's a steep hill to climb, Mr. President." Well, my attitude is, the steeper the better, because when you get up top, you realize you have left a significant contribution behind. And that's the spirit in which I go into this dialog with members of both political parties.

A couple of other points on the accounts. One, you can't take out all your money when you retire. In other words, the account is there to add on to that which the Social Security system has given you; it's in addition to. Secondly, it's a—there is a way to make sure that when you come closer to retirement, you can alter the mix of stocks and bonds or T bills or whatever it might be so that you're able to better control the investment portfolio. In other words, there's flexibility within the guidelines that the Government has set, just like the Thrift Savings Plan of Federal employees.

We've got some citizens here who have agreed to lend some of your expertise to the subject. After all, you're dependent on Social Security, and I'm not. You're an expert on it.

First, I want to bring in Jeff Brown. What do you do, Jeff? That's a loaded question, I already knew the answer, of course. [*Laughter*]

Jeffrey R. Brown. I'm a Ph.D. in economics, and I'm a professor at one of the other great Midwestern universities.

The President. Ph.D. in economics. It's an interesting lesson, isn't it? He's the adviser and the Ph.D. I'm the President and a fair student. [*Laughter*]

All right, Doc. You're an expert on Social Security.

Dr. Brown. That's right. I've been studying it for about a decade now, and the good news is, it doesn't really require a Ph.D. to understand that the program is in trouble.

The President. Well, give people your thoughts, seriously.

[*At this point, Dr. Brown, assistant professor, Department of Finance, University of Illinois at Urbana-Champaign, Champaign, IL, made further remarks.*]

The President. Yes, tell me—you know what's interesting about this subject? I was just looking at Dr. Brown—he's a young-looking guy—and I was thinking about when I was his age, I don't remember much discussion about Social Security being in trouble. I think we all took it for granted, precisely because the math was fine. And what he's telling you is, is that there has been a demographic shift. People are living longer; people are having fewer babies. And you might remember the old campaigns. They'd say, "Vote for me. I'm going to make sure you get greater Social Security benefits." Well, that's what happened. They'd promise more and more and more. And so my generation has been promised benefits that the Government just can't pay for, unless graduates from Notre Dame University are willing to pay a significant chunk of their earnings to support me. And I'm not so sure they're going to be willing to do so when it comes time.

You got anything else there, Jeffrey?

[*Dr. Brown made further remarks.*]

The President. Yes, what he also is saying is that when you save more, when there's more savings, it encourages capital investment. Capital investment means the economy is more likely to be strong. And that's important. There is a direct correlation between savings and investment, and investment means jobs and productivity and, eventually, higher wages. And so this will not only have a good—be good for our fellow workers and fellow Americans but it will be good for the economy.

Well, good. Glad you're here, Jeff, thanks for coming.

Listen, we've got Mark and Betty Batterbee. Isn't that right?

Betty Batterbee. That's right.

The President. Okay, where do you live?

Mrs. Batterbee. We live in Edwardsburg, Michigan.

The President. Good. Welcome. I'm glad the people of Indiana let you in. [*Laughter*]

Mrs. Batterbee. Yes, they did. [*Laughter*] We're from Michiana.

The President. Yes, you're Michiana, all right. You've got some children?

Mrs. Batterbee. Yes, we do. Together, Mark and I have 11 children. We have a very large family, which 7 of them are here today.

The President. Seven are here? Good.

Mrs. Batterbee. Yes, they're over here.

The President. There they are. Make sure you listen to your mother. [*Laughter*]

Mrs. Batterbee. We have 35 grandchildren, and we have six great-grandchildren.

But first, Mr. President, I think it's an honor to be here. I'm so delighted.

The President. Well, thanks for coming, Betty. I appreciate you being here.

Mrs. Batterbee. And I have a message that I would like you to take to Laura. We think she is a gracious and adorable First Lady, and we're so proud that she's our First Lady.

The President. Thank you. I'm proud of her. Thank you, Betty.

Mrs. Batterbee. Okay.

The President. Social Security. [*Laughter*]

[*Mrs. Batterbee made further remarks.*]

The President. Yes, let's stop here; this is an important point. Her husband had paid into the system. She was too young for survivor benefits, and therefore, the money they paid into the system just went away. There was nothing. Here was a man who had worked, supported his family, paid payroll taxes, passed away earlier, and she had zero. I don't think that's a fair system. If we had personal accounts, there would have been an asset that this family had earned.

You're doing great. Keep going on.

Mrs. Batterbee. I'll let Mark talk.

The President. You want to introduce Mark?

Mrs. Batterbee. Oh, this is my husband. [*Laughter*]

The President. I was wondering who he was sitting there, you know? [*Laughter*] Very good job.

Mark, thank you. Tell everybody what you did.

Mark Batterbee. My name is Mark Batterbee, and this is my very gracious wife, Betty. I served as a pastor in the missionary church for over 40 years in—both in Michigan and in the Michiana area. I retired just about 3 years ago. I have to say something, Mr. President, how much I appreciate and I believe how much we appreciate the strong leadership that you have provided in the office of President of the United States.

The President. I appreciate that. Thank you. [*Applause*] Thank you all. Okay. They've got to go back to work here. Thank you. Thanks.

Mr. Batterbee. Also I want to say that as a, quote—maybe I shouldn't—as a, quote, "evangelical" myself, I want to say how much I have appreciated the moral and—leadership that he has provided for all of us, and the fact that he has been an example for the youth of America and for everyone.

The President. Well, thanks, Mark.

Mr. Batterbee. Now to business. [*Laughter*]

The President. Yes, now we got the preacher over with, let's head toward the pocketbook. [*Laughter*]

[*Mr. Batterbee made further remarks.*]

The President. Let me ask you something, Mark. Sorry to interrupt. You're getting Social Security now. Does it matter?

Mr. Batterbee. Yes. Today, Betty and I—Social Security provides a great part of our day-to-day expenses. And we appreciate that very much. However, I have a number of children. You've already seen them out here, children, grandchildren, and great-grandchildren, that when their time comes to receive Social Security, apparently there will be none.

[*Mr. Batterbee made further remarks.*]

The President. Yes, I appreciate that, Mark. This is a generational issue, when you think about it. See, this good couple counts on their Social Security check. And there's a lot of people that really do rely upon their check. It's important for people to know we know that. I know it. And we would never put anything in place that would cause this couple not to get their check, not to have the Government promise fulfilled. And that's really important for people to hear. But this is a generational issue beyond that. This is—you're hearing—how many grandkids, 34?

Mrs. Batterbee. Thirty-five.

The President. Thirty-five, yes. It keeps growing. Either that or I didn't hear you right. [*Laughter*] There's a lot of people who are saying, "Once I'm confident that I'm going to get my check," older Americans should be saying to Members of Congress, "What about my grandkids," because we have a significant problem for our grandkids coming up, and for kids.

And I want to thank you all for joining us. I—we were talking earlier, and one of the things that made me feel great was when they both said, "I don't worry about my check being taken away from me." And that's important for me to hear. You know, when you launch a dialog like this, you—one of the things that a President must be mindful of is creating uncertainty amongst people who depend upon their check. So I'm going to spend a lot of time assuring our fellow citizens that when you talk about reform, you're not talking about making sure that you don't get the promise.

So I want to thank you all for sharing that with me. Thanks for having all those kids, too. [*Laughter*]

Anyway, Fran Martinez. Fran, thanks for coming. What do you do?

[*Francisco Martinez, steel purchasing manager, Steel Warehouse, South Bend, IN, made brief remarks.*]

The President. Let me stop you right there. Everybody know what a 401(k) is—401(k)? I don't think we'd have known that when we were coming up, Mitch. A 401(k) means manage your own money, see it grow.

Mr. Martinez. Exactly.

The President. Does that make you——

Mr. Martinez. It's a sense of ownership. And I think the idea of personal retirement accounts, as you're proposing in these reforms, I'm very encouraged as a taxpayer to know that that could be a reality one day for us.

The President. Some people say, "Well, it's really hard to manage your own money." I mean, it's a—for some people it's a foreign concept. Is that the case for you, on your 401(k), I mean——

Mr. Martinez. No, that's—you know what, you look at it all the time. You get a quarterly statement once every quarter, every 3 months, and you see your money grow. This money that you're putting in every week continues to grow. And I believe that we should have a part of that in our system today that we have, and we don't have that.

The President. Long-term investments take out swings in markets, and a conservative mix takes them out even further. So when you hear people say, "Oh, if you put your money in the market, you'll lose it all," that's just not the way it works. We're talking about people holding money over a long period of time with a conservative mix in stocks and bonds.

I hear people say, "Well, I can't do that," or "Certain people can't manage their own money." But you've got to understand life is changing, particularly for younger generations of Americans. Here you're looking at a 36-year-old man who has got a 401(k). It's a defined contribution plan. He's watching his money grow. My attitude is, why shouldn't we apply that very same concept to his other source of money, his payroll taxes, and setting up his own account?

Now, let me ask you something. Your children—obviously, you're in the business of making sure they're educated——

Mr. Martinez. Correct.

The President. ——but I presume you're trying to build up an asset base for them.

Mr. Martinez. Absolutely. Part of the responsibility of us parents is to set aside money for them, for their education and for down the road. And that's a very important part of our family.

The President. So he builds up—Fran sets aside money. It grows; it grows; it grows from his personal account. He passes on, and the kids can do with the money whatever they want to do with it. It's not their retirement account. It is their money to live on. It's their money to invest. It is a nest egg. It is a part of their wealth and their worth. Seems like to me that's a concept that we ought to spread to every family in America. This idea of, only a certain number of people should be allowed to invest is something I totally reject, and I think it's wrong. There will be plenty of help for people to learn how to watch as stocks and bonds grow, to be able to pick and choose the risk and reward that the Government says is available for you. There's plenty of people that have got the capacity to do that.

And I want to thank you for thinking that way, Fran. It's an important concept.

Debbie Johnson. You don't need to tell your age. [*Laughter*]

Debbie Johnson. Thank you, Mr. President. [*Laughter*]

The President. But you do have the hardest job in America, which is being a single mom.

[*Deborah Johnson, business development and public relations officer, Bayer Federal Credit Union, Mishawaka, IN, made brief remarks.*]

The President. So, why—single mom, too, really busy, sitting on the stage with the President talking about Social Security—why?

Ms. Johnson. I forgot to tell you, I'm also a part-time student at Bethel College.

[*Ms. Johnson made further remarks.*]

The President. Let me stop you, sorry. Do you hear what she said? "I do not believe"—Members of Congress need to hear—"I do not believe that Social Security will be around when it comes time to retire."

Ms. Johnson. No, I don't.

The President. I don't blame you. [*Laughter*]

[*Ms. Johnson made further remarks.*]

The President. Yes, this is a very important part of the dialog. We've got folks saying, "I'm comfortable when I get my check." And we've got taxpayers saying, "I don't think I'm ever going to see one." As a matter of fact, somebody told me one time, a poll amongst youth—I didn't see the poll, generally don't pay attention to them, but nevertheless, it said that young people think it's more likely they're going to see a UFO than get a Social Security check. [*Laughter*] Were you in that poll?

Ms. Johnson. Yes.

The President. The fundamental question facing our society and facing our Congress is, are we willing to worry about taxpayers that have yet to come close to retirement? That's really what we're talking about. I campaigned on this issue. I said, "Vote for me, and I'm going to bring forth interesting ideas to make the Social Security system sound." I believe people appreciate a candid approach to issues and want people to work together to solve problems. And if I were a younger American, I'd be asking loud and clear, "What are you going to do about this train wreck that's headed my way?" Again, retirees, people like me who are fixing to retire, we're fine. The system is in pretty good shape. But it's the people paying into the system to make sure the baby boomer generation is given what we've been told, that is really going to have a heavy, heavy burden to bear.

Speaking about young Americans—good job, by the way—Jon Paul Surma. Jon Paul, how old are you?

Jon Paul Surma. I'm 24.

The President. Anybody here from Notre Dame? That's not much older than you, so you need to be paying attention to this.

Mr. Surma. I'm 24. I'm from Rolling Prairie, Indiana. It's about 20 miles from here.

The President. Rolling Prairie?

Mr. Surma. Yes, 500 people.

The President. Yes?

Mr. Surma. Yes.

The President. About the size of Crawford.

Mr. Surma. Yes. [*Laughter*] I'm part owner of a small business, Pyramid Equipment. We're in the waste industry. We sell and service waste equipment or garbage trucks. [*Laughter*] I'm proud of what I do, so——

The President. I'm proud you're an entrepreneur.

Mr. Surma. Yes. I have 18 employees, 16 of them full-time.

The President. Good.

Mr. Surma. I pay 100 percent of their insurance, and then I also implemented a simple IRA for them where I'll match 3 percent of what they put in.

The President. That's good. So that's an individual personal account, by the way?

Mr. Surma. Yes.

The President. A different kind of personal account.

[*Mr. Surma made further remarks.*]

The President. So what do you like about the personal accounts?

Mr. Surma. What do I like about the personal accounts? Is that—right now I don't feel any ownership because I feel like you guys are going to take my money, and I'm not going to get any of it back.

The President. Yes, that's a—plain way of saying it. [*Laughter*]

Mr. Surma. Yes. And I have the worst luck in the world. I'll probably die before I ever get that——

The President. Wait a minute. [*Laughter*]

Mr. Surma. No, no, serious.

The President. You need to seek help right here at Notre Dame. [*Laughter*]

Mr. Surma. So I'm afraid that I'll die, and then you guys will take more of my money, and then I wish my nieces and nephews—being single, I don't have any kids, and I probably will never have kids.

The President. Don't give up. Wait a minute. [*Laughter*] I thought you were an entrepreneur. Entrepreneurs need to be optimistic. How can you start you own business unless you see a better future?

Mr. Surma. I'm married to my job.

The President. Yes, okay, well—[*laughter*]—you got plenty of time. Don't worry about it.

Any other 20-year-olders talking about the issue?

Mr. Surma. What's that?

The President. Any other 20-year-old people talking about the issue? Do 20-year-olders care?

Mr. Surma. Yes.

The President. They do? That's good.

Mr. Surma. That's good.

The President. You should care. You're not—you're kind of one of these lonely heart things, are you, trying to find a—[*Laughter*]

Mr. Surma. I'm not going to lie. I was looking out in the crowd. [*Laughter*]

The President. Yes, that's good. Social Security. [*Laughter*]

Mr. Surma. Okay, there you go. [*Laughter*] Like I was saying, if something happens to me, I want my nieces and nephews to get the money I paid in. My biggest problem is, being self-employed, I have to pay the whole percent. I have to pay the employee side and the employer side of mine. And I feel like it's a tax burden.

The President. Yes. You think it's high now—if we don't do anything, it's really going to be high.

Mr. Surma. And I'm afraid that the first person you guys come to is me if there's going to be problems.

The President. You're successful——

Mr. Surma. Yes. So in the future, if we don't do anything, we're either going to have to cut benefits, which you say we're not going to do, or we're going to have to take the money from another part of the sector.

The President. Well, I said we weren't going to—the benefits will be the same for those who've retired.

Mr. Surma. Okay.

The President. I have said we can't afford the benefits that have been promised. That's important to hear. And the best way to make sure we come closest to the benefits which have been promised—come closest to them—is to allow people to take and have that money compound. That's how we get closest to the promises. But benefits will not be changed for seniors. But beyond that, from 1950 and before, people who have been born from 1950 on, there is a serious problem. Let me make that clear.

Mr. Surma. But my thing is, if we don't do anything, we're going to have to probably then raise taxes. And a 35-percent tax bracket is already too high as it is, in my opinion. And it's hurting the economic development and spurns investment.

The President. Good job. I want to thank you all for joining me on this.

I do want to say one other thing. When I landed, I met Lucy Kuminecz. She was at the foot of Air Force One. She is a volunteer here in this part of the world with the Busy Hands program. It's an interesting way for somebody to contribute to somebody's—to help somebody have a bright spot in their life. She makes little dolls for children in hospitals and passes them out. She's chosen to do this because she's heard a call to love a neighbor like you'd like to be loved yourself.

We talk a lot about the strength of America being our great influence in the world or our economic engine, and hopefully we'll solve Social Security so that that economic engine continues. But the true strength of America is in the hearts and souls of our fellow citizens.

I remember coming to Notre Dame; in my graduation speech, I talked about the call to service, the need for people to realize that a contribution to your country can be made in all kinds of ways, particularly contributions that come to help those who hurt, those who wonder whether or not the American experience is meant for them.

Lucy, I love to—where is Lucy? She's somewhere around here, I know. Oh, Lucy, thank you for coming. I appreciate you being here. She volunteers with the retired and senior volunteer program. She is a soldier in the army of compassion. And for those of you who are interested in how you can serve our country, feed the hungry. Provide shelter for the homeless. Put your arm around a brother and sister who hurts, and says, "I love you." Mentor a child. Teach somebody to read. Take time out of your busy life to help somebody who hurts, and this country will be able to realize its full promise for every single citizen.

I'm honored you all came. I hope you've enjoyed this as much as I have. May God bless you all, and may God continue to bless our country.

NOTE: The President spoke at 4:25 p.m. in the Joyce Center at the University of Notre Dame. In his remarks, he referred to Rev. Edward A. Malloy, C.S.C., president, Rev. John I. Jenkins, C.S.C., president-elect, and Rev. Theodore M. Hesburgh, C.S.C., president emeritus, University of Notre Dame; Gov. Mitch Daniels and State Attorney General Steve Carter of Indiana; Mayor Stephen J. Luecke of South Bend, IN; Mayor Jeffrey L. Rea of Mishawaka, IN; President Hamid Karzai of Afghanistan; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; Crown Prince Abdullah of Saudi Arabia; and President Bashar al-Asad of Syria.

The President's Radio Address
March 5, 2005

Good morning. In the short time since I returned from my trip to Europe, the world has witnessed remarkable developments in the Middle East. In Lebanon, tens of thousands of people took to the streets in peaceful protest over the brutal assassination of former Prime Minister Hariri. For years, the Lebanese people have suffered from the aftermath of a horrific civil war and occupation by Syria. Lebanese citizens who have watched free elections in Iraq are now demanding the right to decide their own destiny, free of Syrian control and domination. Syria has been an occupying force in Lebanon for nearly three decades, and Syria's support for terrorism remains a key obstacle to peace in the broader Middle East.

Today, America and Europe are standing together with the Lebanese people. The United States and France worked closely to pass U.N. Security Council Resolution 1559. This resolution demands that Lebanon's sovereignty be respected, that all foreign forces be withdrawn, and that free and fair elections be conducted without foreign influence. The world is now speaking with one voice to ensure that democracy and freedom are given a chance to flourish in Lebanon.

French President Chirac, British Prime Minister Blair, and German Chancellor Schroeder have all called on Syria to withdraw from Lebanon. A Syrian withdrawal of all its military and intelligence personnel would help ensure that the Lebanese elections occur as scheduled in the spring and that they will be free and fair.

At the same time the Lebanese people were demonstrating against terrorism in Beirut, the elected leader of the Palestinian people, President Abbas, declared that his Government is committed to chasing down and punishing those responsible for last weekend's terrorist attack in Tel Aviv. Such action is critical, because that attack is a reminder that there are still groups and individuals who will kill to prevent peace in the Middle East.

President Abbas made his remarks in London during an international meeting of world and Arab leaders hosted by Prime Minister Blair. The leaders attending this meeting expressed their support for the Palestinians' efforts to reform their political institutions, their economy, and their security services. And the first reform must be the dismantling of terrorist organizations. Only by ending terrorism can we achieve our common goal of two democratic states, Israel and Palestine, living side by side in peace and freedom.

Today, people in a long-troubled part of the world are standing up for their freedom. In the last 5 months, we have witnessed successful elections in Afghanistan, the Palestinian Territory, and Iraq, peaceful demonstrations on the streets of Beirut, and steps toward democratic reform in Egypt and Saudi Arabia. The trend is clear: In the Middle East and throughout the world, freedom is on the march. The road ahead will not be easy, and progress will sometimes be slow. But America, Europe, and our Arab partners must all continue the hard work of defeating terrorism and supporting democratic reforms.

Freedom is the birthright and deep desire of every human soul, and spreading freedom's blessings is the calling of our time. And when freedom and democracy take root in the Middle East, America and the world will be safer and more peaceful.

Thank you for listening.

NOTE: The address was recorded at 7:45 a.m. on March 4 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on March 5. The transcript was made available by the Office of the Press Secretary on March 4 but was embargoed for release until the broadcast. In his address, the President referred to President Jacques Chirac of France; Prime Minister Tony Blair of the United Kingdom; Chancellor Gerhard Schroeder of Germany; and President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks on Helping America's Youth in Pittsburgh, Pennsylvania
March 7, 2005

Thanks for the warm welcome here to "Knowledge City." Laura and I just came from the Providence Family Support Center. [*Applause*] You've got a reason to cheer. [*Laughter*] It is a fabulous place, and we really appreciate the Sisters of Divine Providence for letting us visit, particularly Mary Joan Coultas and all the other sisters there, for filling that space with love and compassion, trying to save souls one person at a time, and advancing a goal we all want, and that's for America to be the most hopeful country in the world for every single citizen. And that's really what we're here to talk about.

I said that's what we're here to talk about, but the truth of the matter is, I'm the introducer. [*Applause*] Yes. Not the first time people have cheered when I said, "I'm the introducer, and Laura's the speaker." [*Laughter*]

I do want to thank Senator Arlen Specter for joining us today, and I appreciate him coming here. He's always telling me what to do, and I'm telling him what to do. [*Laughter*] Since it's my airplane—well, actually—[*laughter*]. I'm proud of Congressman Tim Murphy. It's good to see you, Murph. Thank you for coming. Congresswoman Melissa Hart, thank you for being here.

It's always good to see Bishop Donald Wuerl. Gosh, I think I've been with the Bishop three or four, maybe five times. Every time I'm with him, he talks about education. [*Laughter*] He loves education.

And it's—one of the things—when you talk about a hopeful America, it's important to always keep in mind the cornerstone of a hopeful America, the foundation of a hopeful America, is an education system which makes sure every single child can read, write, and add and subtract. It's the beginnings of what a hopeful America is about.

And I appreciate, Bishop, your leadership when it comes to the Catholic education system here in Pittsburgh. It's a model of excellence. It is—someday I hope that we're able to further the ability for parents to escape failure and go to any school they choose—or send their children to any school they choose.

Speaking about organizations that work, I appreciate the Community College of Allegheny County for, one, lending us the facility, and two, providing an education that is affordable and flexible and market-driven. I want to thank Paul Whitehead and Brian Johnson for being good hosts.

The community college system is a vital part of making sure people are able to gain the skills necessary to fill the jobs of the 21st century. Community colleges are able to adjust their curriculum to the needs of the local employer base. And if somebody needs nurses, they come to a community college system and help—they help design a curriculum so we can train nurses. They need computer technology people. I mean, the community college system is vital and important.

Melissa happens to be a board [member] * of this community college system. And this administration will continue to support our community colleges to make sure that people have the skills necessary to fill the jobs which are being created in America, the jobs of the 21st century. So thank you for letting us come here today.

And now it's my honor to introduce Laura. [*Laughter*] She and I share a passion that we've got to make sure that the great strength of our country—that is, the hearts and souls of our citizens—are directed in such a way that every child can be saved. That's what we want, and we're worried. We're worried about gangs. We're worried about drugs. We're worried about bad choices. But we also know that if we can, in our small way, encourage people to put their arm around somebody and say, "I love you. What can I do to help you," if we can encourage people to step forward and to volunteer their time and talent and compassion, this country can be a better place. So one of the big initiatives that she is—will be leading on behalf of my administration and the country is how to utilize the assets at our disposal to make sure that every single child, every single person has a bright and hopeful future.

You know, de Tocqueville, years ago, wrote about America. In 1832, he wrote about the great capacity of our country to have people of—who cared about their country to be able to associate in a voluntary way to kind of transcend individualism. In other words, what he was really saying is, America is a unique place where people come together to serve a cause greater than themselves. And I think the patriotism of the 21st century is—can be found when somebody goes to the center we just came at and volunteer his or her time, and says to a child, "I love you. What can I do to help you to realize your dream?" And Laura's here to talk about that on behalf of our country.

I'm proud of her as the First Lady. I love her dearly as a wife. She's a fabulous mother. Laura Bush.

NOTE: The President spoke at 3:58 p.m. at the Community College of Allegheny County—Allegheny Campus. In his remarks, he referred to Mary Joan Coultas, CDP, provincial director, Sisters of Divine Providence, Pittsburgh, PA; Bishop Donald Wuerl of the Diocese of Pittsburgh, PA; Paul V. Whitehead, chair, board of trustees, Community College of Allegheny County; and Brian Johnson, senior vice president for community and student services, Community College of

* White House correction.

Allegheny County, and chief executive officer, Community College of Allegheny County—Allegheny Campus. The transcript released by the Office of the Press Secretary also included the remarks of the First Lady.

Statement on the Treaty on the Non-Proliferation of Nuclear Weapons
March 7, 2005

Thirty-five years ago, the Treaty on the Non-Proliferation of Nuclear Weapons entered into force. Today, almost all nations are party to the treaty. The NPT represents a key legal barrier to nuclear weapons proliferation and makes a critical contribution to international security.

In May, the parties to the NPT will convene the Seventh Review Conference of the Treaty. In the context of this review, I reaffirm the determination of the United States to carry out its treaty commitments and to work to ensure its continuance in the interest of world peace and security.

NPT parties must take strong action to confront the threat of noncompliance with the NPT in order to preserve and strengthen the treaty's nonproliferation undertakings. We cannot allow rogue states that violate their commitments and defy the international community to undermine the NPT's fundamental role in strengthening international security. We must therefore close the loopholes that allow states to produce nuclear materials that can be used to build bombs under the cover of civilian nuclear programs.

For international norms to be effective, they must be enforced. It is the charge of the International Atomic Energy Agency to uncover banned nuclear activity and to report these violations. The IAEA safeguards system is therefore an important means of detecting and preventing NPT violations. The IAEA must have the tools it needs to do its work, especially universal adherence to the Additional Protocol.

The United States remains firmly committed to its obligations under the NPT. Our record demonstrates this commitment, including the Moscow Treaty concluded in 2002. The United States will continue to play a leading role in strengthening the nonproliferation regime. We have undertaken concrete actions and made several proposals to strengthen the NPT, the IAEA, and the broader nonproliferation regime, including launching the Proliferation Security Initiative.

It is essential in these times of great challenge to international security, particularly when rogue states and terrorists seek to acquire weapons of mass destruction, that the international community work together to confront the dangers of nuclear proliferation. I call upon all states that are party to the treaty to act promptly and effectively to meet the challenges to the NPT and our common security. By doing so, we can ensure that it remains an effective instrument of global security.

Remarks on the War on Terror
March 8, 2005

Thank you all. Please be seated. It is great to be back to this fine university. Many great military leaders of the 20th century, from Dwight Eisenhower to Colin

Powell, studied on this campus. And today, the National Defense University is training a new generation of leaders who will serve and defend this Nation in a new century. Americans are grateful for your devotion to duty, and so is your Commander in Chief.

I am honored that two influential and important Members of the United States Congress have joined us. First, Senator Joe Lieberman, strong defender of freedom, thank you for coming, Senator. And the chairman of the House Armed Services Committee, Congressman Duncan Hunter, proud you're here, Dunc. Thanks for coming. In the midst of what we hope will be the final snow blizzard of 2005—[*laughter*]—I'm honored you two men slushed here to this event.

I appreciate so very much Lieutenant General Michael Dunn and his wife, Pam, for greeting me and for serving our Nation. I want to thank all the National Defense University students for being here. I appreciate the staff for joining us. I want to thank the members of the diplomatic corps who have come today. It is an honor to see you all again. I want to thank my fellow Americans for caring about the subject of peace, and that's what I'm here to discuss.

We meet at a time of great consequence for the security of our Nation, a time when the defense of freedom requires the advance of freedom, a time with echoes in our history. Twice in six decades, a sudden attack on the United States launched our country into a global conflict and began a period of serious reflection on America's place in the world.

The bombing of Pearl Harbor taught America that unopposed tyranny, even on faraway continents, could draw our country into a struggle for our own survival. And our reflection on that lesson led us to help build peaceful democracies in the ruins of tyranny, to unite free nations in the NATO Alliance, and to establish a firm commitment to peace in the Pacific that continues to this day.

The attacks of September the 11th, 2001, also revealed the outlines of a new world. In one way, that assault was the culmination of decades of escalating violence, from the killing of U.S. marines in Beirut to the bombing at the World Trade Center, to the attacks on American Embassies in Africa, to the attacks on the U.S.S. *Cole.* In another way, September the 11th provided a warning of future dangers, of terror networks aided by outlaw regimes and ideologies that incite the murder of the innocent and biological and chemical and nuclear weapons that multiply destructive power.

Like an earlier generation, America is answering new dangers with firm resolve. No matter how long it takes, no matter how difficult the task, we will fight the enemy and lift the shadow of fear and lead free nations to victory.

Like an earlier generation, America is pursuing a clear strategy with our allies to achieve victory. Our immediate strategy is to eliminate terrorist threats abroad so we do not have to face them here at home. The theory here is straightforward: Terrorists are less likely to endanger our security if they are worried about their own security. When terrorists spend their days struggling to avoid death or capture, they are less capable of arming and training to commit new attacks. We will keep the terrorists on the run until they have nowhere left to hide.

In 3½ years, the United States and our allies have waged a campaign of global scale, from the mountains of Afghanistan to the border regions of Pakistan, to the Horn of Africa, to the islands of the Philippines, to the plains of North Central Iraq. The Al Qaida terror network that attacked our country still has leaders, but many of its top commanders have been removed. There are still governments that sponsor and harbor terrorists, but their number has declined. There are still regimes seeking weapons of mass destruction but no longer without attention and without consequence.

Our country is still the target of terrorists who want to kill many and intimidate us all. We will stay on the offensive against them until the fight is won.

Members of our military are undertaking difficult missions in some of the most dangerous and desolate parts of the world. These volunteers know the risk they face, and they know the cause they serve. As one marine sergeant put it, "I never want my children to experience what we saw in New York, at the Pentagon, and in Pennsylvania." He said, "If we can eliminate whatever threat we can on foreign soil, I would rather do it there than have it come home to us." In this vital cause, some of our men and women in uniform have fallen. Some have returned home with terrible injuries. And all who sacrifice will have the permanent gratitude of the United States of America.

In this war on terror, America is not alone. Many governments have awakened to the dangers we share and have begun to take serious action. Global terror requires a global response, and America is more secure today because dozens of other countries have stepped up to the fight.

We're more secure because Pakistani forces captured more than 100 extremists across the country last year, including operatives who were plotting attacks against the United States. We're more secure because Britain arrested an Al Qaida operative who had provided detailed casing reports on American targets to senior Al Qaida leaders. We're more secure because German authorities arrested extremists who were planning attacks against U.S. and coalition targets in Iraq. We're more secure because the Philippines' new Anti-Terrorism Task Force has helped capture more than a dozen terrorist suspects, including seven members of Al Qaida and affiliated networks. We're more secure because Poland is leading a 15-nation multinational division in Iraq, and forces from 23 countries have given their lives in the struggle against terrorists and insurgents in Afghanistan and Iraq.

Our allies in the war on terror are making tough decisions, and they're taking risks, and they're losing lives. These countries have proven themselves trusted friends and reliable allies. So I urge the Congress to pass the Solidarity Initiative I have proposed to stand by the countries that are standing by us in the war on terror.

Our strategy to keep the peace in the longer term is to help change the conditions that give rise to extremism and terror, especially in the broader Middle East. Parts of that region have been caught for generations in a cycle of tyranny and despair and radicalism. When a dictatorship controls the political life of a country, responsible opposition cannot develop, and dissent is driven underground and toward the extreme. And to draw attention away from their social and economic failures, dictators place blame on other countries and other races and stir the hatred that leads to violence. This status quo of despotism and anger cannot be ignored or appeased, kept in a box or bought off, because we have witnessed how the violence in that region can reach easily across borders and oceans. The entire world has an urgent interest in the progress and hope and freedom in the broader Middle East.

The advance of hope in the Middle East requires new thinking in the region. By now it should be clear that authoritarian rule is not the wave of the future. It is the last gasp of a discredited past. It should be clear that free nations escape stagnation and grow stronger with time, because they encourage the creativity and enterprise of their people. It should be clear that economic progress requires political modernization, including honest representative government and the rule of law. And it should be clear that no society can advance with only half of its talent and energy, and that demands the full participation of women.

The advance of hope in the Middle East also requires new thinking in the capitals of great democracies, including Washington, DC. By now it should be clear that decades of excusing and accommodating tyranny in the pursuit of stability have only led to injustice and instability and tragedy. It should be clear that the advance of democracy leads to peace, because governments that respect the rights of their people also respect the rights of their neighbors. It should be clear that the best antidote to radicalism and terror is the tolerance and hope kindled in free societies. And our duty is now clear: For the sake of our long-term security, all free nations must stand with the forces of democracy and justice that have begun to transform the Middle East.

Encouraging democracy in that region is a generational commitment. It's also a difficult commitment, demanding patience and resolve when the headlines are good and when the headlines aren't so good. Freedom has determined enemies, who show no mercy for the innocent and no respect for the rules of warfare. Many societies in the region struggle with poverty and illiteracy. Many rulers in the region have longstanding habits of control. Many people in the region have deeply ingrained habits of fear.

For all these reasons, the chances of democratic progress in the broader Middle East have seemed frozen in place for decades. Yet at last, clearly and suddenly, the thaw has begun. The people of Afghanistan have embraced free government after suffering under one of the most backward tyrannies on Earth. The voters in Iraq defied threats of murder and have set their country on a path to full democracy. The people of the Palestinian Territories cast their ballots against violence and corruption of the past. And any who doubt the appeal of freedom in the Middle East can look to Lebanon, where the Lebanese people are demanding a free and independent nation. In the words of one Lebanese observer, "Democracy is knocking at the door of this country, and if it's successful in Lebanon, it is going to ring the doors of every Arab regime."

Across the Middle East, a critical mass of events is taking that region in a hopeful new direction. Historic changes have many causes, yet these changes have one factor in common. A businessman in Beirut recently said, "We have removed the mask of fear. We're not afraid anymore." Pervasive fear is the foundation of every dictatorial regime, the prop that holds up all power not based on consent. And when the regime of fear is broken and the people find their courage and find their voice, democracy is their goal and tyrants, themselves, have reason to fear.

History is moving quickly, and leaders in the Middle East have important choices to make. The world community, including Russia and Germany and France and Saudi Arabia and the United States, has presented the Syrian Government with one of those choices, to end its nearly 30-year occupation of Lebanon or become even more isolated from the world. The Lebanese people have heard the speech by the Syrian President. They've seen these delaying tactics and half measures before.

The time has come for Syria to fully implement Security Council Resolution 1559. All Syrian military forces and intelligence personnel must withdraw before the Lebanese elections, for those elections to be free and fair.

The elections in Lebanon must be fully and carefully monitored by international observers. The Lebanese people have the right to determine their future, free from domination by a foreign power. The Lebanese people have the right to choose their own parliament this spring, free of intimidation. And that new Government will have the help of the international community in building sound political, economic, and military institutions, so the great nation of Lebanon can move forward in security and freedom.

Today I have a message for the people of Lebanon: All the world is witnessing your great movement of conscience. Lebanon's future belongs in your hands, and by your courage, Lebanon's future will be in your hands. The American people are on your side. Millions across the Earth are on your side. The momentum of freedom is on your side, and freedom will prevail in Lebanon.

America and other nations are also aware that the recent terrorist attack in Tel Aviv was conducted by a radical Palestinian group headquartered in Damascus. Syria as well as Iran has a long history of supporting terrorist groups determined to sow division and chaos in the Middle East, and there is every possibility they will try this strategy again. The time has come for Syria and Iran to stop using murder as a tool of policy and to end all support for terrorism.

In spite of attacks by extremists, the world is seeing hopeful progress in the Israeli-Palestinian conflict. There is only one outcome that will end the tyranny, danger, violence, and hopelessness and meet the aspirations of all people in the region: We seek two democratic states, Israel and Palestine, living side by side in peace and security.

And that goal is within reach, if all the parties meet their responsibilities and if terrorism is brought to an end. Arab States must end incitement in their own media, cut off public and private funding for terrorism, stop their support for extremist education, and establish normal relations with Israel. Israel must freeze settlement activity, help the Palestinians build a thriving economy, and ensure that a new Palestinian state is truly viable, with contiguous territory on the West Bank. Palestinian leaders must fight corruption, encourage free enterprise, rest true authority with the people, and actively confront terrorist groups.

The bombing in Tel Aviv is a reminder that the fight against terrorists is critical to the search for peace and for Palestinian statehood. In an interview last week, Palestinian President Abbas strongly condemned the terrorist attack in Tel Aviv, declaring, quote, "Ending violence and security chaos is first and foremost a Palestinian interest." He went on to say, "We cannot build the foundations of a state without the rule of law and public order."

President Abbas is correct. And so the United States will help the Palestinian Authority build the security services that current peace and future statehood require, security forces which are effective, responsive to civilian control, and dedicated to fighting terror and upholding the rule of law. We will coordinate with the Government of Israel, with neighbors such as Egypt and Jordan, and with other donors to ensure that Palestinians get the training and equipment they need. The United States is determined to help the parties remove obstacles to progress and move forward in practical ways, so we can seize this moment for peace in the Holy Land.

In other parts of the Middle East, we're seeing small but welcome steps. Saudi Arabia's recent municipal elections were the beginning of reform that may allow greater participation in the future. Egypt has now the prospect of competitive, multiparty elections for President in September. Like all free elections, these require freedom of assembly, multiple candidates, free access by those candidates to the media, and the right to form political parties. Each country in the Middle East will take a different path of reform. And every nation that starts on that journey can know that America will walk at its side.

Progress in the Middle East is threatened by weapons of mass destruction and their proliferation. Today, Great Britain, France, and Germany are involved in a difficult negotiation with Iran, aimed at stopping its nuclear weapons program. We want our allies to succeed, because we share the view that Iran's acquisition of nuclear weapons would be destabilizing and threatening to all of Iran's neighbors. The Iranian regime

should listen to the concerns of the world and listen to the voice of the Iranian people, who long for their liberty and want their country to be a respected member of the international community. We look forward to the day when Iran joins in the hopeful changes taking place across the region. We look forward to the day when the Iranian people are free.

Iran and other nations have an example in Iraq. The recent elections have begun a process of debate and coalition building unique in Iraqi history and inspiring to see. Iraq's leaders are forming a Government that will oversee the next and critical stage in Iraq's political transition, the writing of a permanent constitution. This process must take place without external influence. The shape of Iraq's democracy must be determined by the Iraqis, themselves.

Iraq's democracy, in the long run, must also be defended by Iraqis, themselves. Our goal is to help Iraqi security forces move toward self-reliance, and they are making daily progress. Iraqi forces were the main providers of security at about 5,000 polling places in the January elections. Our coalition is providing equipment and training to the new Iraqi military, yet they bring a spirit all of their own.

Last month, when soldiers of the U.S. 7th Cavalry Regiment were on combat patrol north of Baghdad, one of their Humvees fell into a canal, and Iraqi troops came to their rescue, plunging into the water again and again, until the last American was recovered. The Army colonel in charge of the unit said, "When I saw those Iraqis in the water, fighting to save their American brothers, I saw a glimpse of the future of this country." One of the Iraqi soldiers commented, "These people have come 100—or 10,000 miles to help my country. They've left their families and their children. If we can give them something back, just a little, we can show our thanks." America is proud to defend freedom in Iraq, and America is proud to stand with the brave Iraqis as they defend their own freedom.

Three-and-a-half years ago, the United States mourned our dead, gathered our resolve, and accepted a mission. We made a decision to stop threats to the American people before they arrive on our shores, and we have acted on that decision. We're also determined to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world.

This objective will not be achieved easily or all at once or primarily by force of arms. We know that freedom, by definition, must be chosen and that the democratic institutions of other nations will not look like our own. Yet we also know that our security increasingly depends on the hope and progress of other nations now simmering in despair and resentment. And that hope and progress is found only in the advance of freedom.

This advance is a consistent theme of American strategy, from the Fourteen Points to the Four Freedoms, to the Marshall plan, to the Reagan doctrine. Yet the success of this approach does not depend on grand strategy alone. We are confident that the desire for freedom, even when repressed for generations, is present in every human heart. And that desire can emerge with sudden power to change the course of history.

Americans, of all people, should not be surprised by freedom's power. A nation founded on the universal claim of individual rights should not be surprised when other people claim those rights. Those who place their hope in freedom may be attacked and challenged, but they will not ultimately be disappointed, because freedom is the design of humanity and freedom is the direction of history.

In our time, America has been attacked; America has been challenged. Yet the uncertainty and sorrow and sacrifice of these years have not been in vain. Millions have

gained their liberty, and millions more have gained the hope of liberty that will not be denied. The trumpet of freedom has been sounded, and that trumpet never calls retreat.

Before history is written in books, it is written in courage, the courage of honorable soldiers, the courage of oppressed peoples, the courage of free nations in difficult tasks. Our generation is fortunate to live in a time of courage, and we are proud to serve in freedom's cause.

May God bless you all.

NOTE: The President spoke at 10:17 a.m. at the National Defense University at Fort Lesley J. McNair. In his remarks, he referred to former Secretary of State Colin L. Powell; Lt. Gen. Michael M. Dunn, USAF, president, National Defense University; President Bashar al-Asad of Syria; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; and Col. Mark McKnight, USA, commander, 1st Brigade Combat Team, 3d Infantry Division. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks Following a Meeting With Former President George H.W. Bush and Former President William J. Clinton
March 8, 2005

Tsunami Relief Efforts

President Bush. Listen, I want to thank former Presidents Clinton and Bush for representing our country and showing the best heart of America when it came to helping those who suffered from the tsunami natural disaster.

The Presidents presented me with a report. This report basically says America cares deeply about suffering people around the world. I can't think of two better Ambassadors to carry our message of compassion. They reported that progress is being made. Nearly a billion dollars of private-sector money has gone to help. Our Government requested 950 million additional dollars to help.

And I want to thank both leaders for really showing the world how much we care. I think the world is beginning to see a different impression of America. One of the things the Presidents reported to me is there was an outpouring of great kindness everywhere they went. I'm heartened that the good folks of Indonesia, for example, see a different America now when they think about our country. They see a country which of course will defend our security but a country which also cares deeply about suffering people, regardless of their religion, that when we find a Muslim child suffering, we weep just as equally as when we find another child that suffers.

And so I want to thank you all for doing the best. I'd like to ask both Presidents to maybe say a comment. They'll be willing to take questions after this in the Roosevelt Room.

Former President Bush. My comment is President Clinton was a joy to work with. I was pleased that the President asked me to be a part of this. And the only other thing I'd say is that when you see the children out there, you count your own blessings, because the devastation was real and the generosity of the American people will go a long way to making things better in all the four countries we visited.

Former President Clinton. I'd like to thank the President for giving me a chance to work with former President Bush. We had a very good experience, I think, on this trip and before and after raising funds. We're going down to Florida to raise some more money tomorrow.

The report basically says that these people have done an unbelievable job dealing with their losses and cleaning up but that there's a lot of work yet to be done, particularly in the hardest hit countries, to restore them to normal life, and that we want America and the world to be a part of this all the way through to the end.

They are very grateful for what the American military did, for what USAID did, for what these hundreds of nongovernmental organizations have done. But there's a lot of work left to be done, and we want to see it through to the end.

President Bush. By the way, let me—one other point. President Clinton and President Bush are going to play golf tomorrow to raise money for the tsunami victims—which goes to show how sick he is. [*Laughter*]

Former President Clinton. We are. [*Laughter*]

President Bush. Thank you all.

NOTE: The President spoke at 1:45 p.m. in the Oval Office at the White House.

Statement on the United Nations General Assembly Vote To Ban Human Cloning
March 8, 2005

I applaud the strong vote of the United Nations General Assembly today urging countries to ban all forms of human cloning. I am also grateful for the strong statement against practices that exploit women.

Human life must not be created for the purpose of destroying it. The United States and the international community have now spoken clearly that human cloning is an affront to human dignity and that we must work together to protect human life. I look forward to working with Members of Congress to enact legislation to ban all human cloning in the United States.

Remarks Following Discussions With President Traian Basescu of Romania and an Exchange With Reporters
March 9, 2005

President Bush. We'll have brief opening statements. The President and I will take two questions per side.

Mr. President, welcome.

President Basescu. Thank you very much.

President Bush. I am impressed by your leadership. I am grateful for your friendship. Romania has been a steadfast ally of freedom. And Mr. President, I can't thank you enough for coming to discuss a wide range of subjects.

We discussed the neighborhood, and he gave me very good advice about Moldova. We discussed the Black Sea. And the President has got a clear vision as to how to make sure the world is more peaceful. We discussed the fact that freedom is spreading throughout the Middle East. We discussed our bilateral relations.

I told the President I'm most impressed by his campaign to rid the Government of corruption in Romania, a steadfast,

strong commitment. He believes in transparency and rule of law, and that is very important for American companies looking for a place to invest to hear from the leader of the country. But the thing about this President, he's more than words; he's action.

And so, Mr. President, I welcome you to the Oval Office. I thank you for your friendship, and I'm proud to call you friend.

President Basescu. Thank you very much, Mr. President. I'm happy being here in my first visit over the ocean from when I was elected as President of Romania. I'm happy to discuss with our ally, the President Bush, with the United States—I am happy to pass our message regarding democracy, regarding freedom, regarding development of our strategic partnership, regarding the problems which the Black Sea have in this moment, and regarding the solutions which we can find together in order to make a peaceful and secure area on the Black Sea.

At same time, I was happy to discuss with Mr. President the future evolutions of our access on the United States. Romania considers that we can be included on the program of allowing Romanians to circulate without a visa on the United States. And I thank you very much, to President Bush, for the open approach regarding this subject.

Thank you very much, Mr. President.

President Bush. Welcome. A couple of questions. Terry [Terence Hunt, Associated Press].

Iran

Q. Mr. President, how credible do you think U.S. intelligence is about Iran's nuclear program? Do you think it's solid enough to make judgments about whether Iran is trying to develop nuclear weapons?

President Bush. I think it's very important for the United States to continue to work with our friends and allies which believe that the Iranians want a nuclear weapon and which know that Iran possessing a nuclear weapon would be very destabilizing.

In my trip to Europe, I discovered common ground with a lot of European nations, which believe and are worried about Iranian intention. And one reason there needs to be worry about Iran is that this is a nontransparent society; there's no openness. And so I think it's very wise for the free world to be concerned about Iranian weapons, and it's very easy—the Iranians' desire to develop a weapon, and it's very easy for them to solve the problem, and that is to not only give assurances about any nuclear weapons program but to allow full IAEA inspection processes in a transparent way.

Anybody from the Romanian press? Mr. President, you call on somebody.

Q. Yes, sir.

President Basescu. Romanian Television, please.

Romania-U.S. Relations

Q. Yes, please, one question. As Romania becomes part and a springboard for democracy and freedom in the area of the Black Sea, how will this project affect the well-being of the Romanian people?

President Bush. Well, I think one thing—I'll never forget my trip to Bucharest—it was the rainbow speech. [*Laughter*] It was a mystical experience for me. It was one of the most amazing moments of my Presidency, to be speaking in the square, the very square where Ceausescu gave his last speech. And the rainbow that I saw in the midst of the rainstorm ended right behind the balcony, from my point of view. It's a clear signal that, as far as I was concerned, that freedom is powerful and——

President Basescu. It meant the signal of destiny, Mr. President.

President Bush. Well, we'll see. But my point to you is, is that I was there to assure the Romanian people that we were an ally and that the Romanian people need not worry about their security, that the United

States, through NATO and through bilateral relations, was committed to the security of our friend.

So the people of Romania need to know that the days are past when—you know, when outside forces could threaten them without help. And that's important for a society to be—to recognize there are strong enough allies to allow the society to develop, to have gone from a day of dictatorial regime to one of a free society. And that's not an easy transition, but it certainly makes the transition easier, knowing full well that there is security available through bilateral relations as well as through NATO.

Adam [Adam Entous, Reuters].

Q. [*Inaudible*]

President Bush. Adam.

Syrian Withdrawal From Lebanon

Q. Yes, Mr. President, thank you. You have made daily calls on Syria to fully withdraw from Lebanon and warn that they are being isolated. But what are the consequences if they don't pull out? Do they face international sanctions?

President Bush. Well, we are working with our friends and allies on this very important issue. I'd like to reiterate my call, and that is, in order for those elections to be free in Lebanon, there must be—the Syrians must remove their troops as well as their intelligence services. One of the things a lot of people don't understand is that Syrian influence is heavy-handed through the involvement of intelligence services throughout the Government. And they must remove both in order for the election to be free.

And we're working with friends and allies about steps forward, what to do. Right now, the President Asad has said he's removing to the Bekaa Valley. That is a half measure. It is a measure, but it's a half measure. And 1559 is very clear. We worked with France and the Security Council to pass 1559, which said, "complete removal, not half measures but total removal." And so we'll continue to work with our allies to make our demands known to the world.

The world is speaking now. That's what the President Asad must understand. It's not just the Western World that speaks. I was most impressed by Crown Prince Abdullah's statement that said to the Syrian President: You must adhere to 1559.

Romania-U.S. Relations

Q. President Bush, the Romanian President keeps on saying that he favors a special partnership between Washington, London, and Bucharest. Would you confirm that role of special ally in Southeastern Europe of Romania?

President Bush. Well, I view the—I view Romania as a special ally because Romania shares the same values that we share, human rights, human dignity, rule of law, transparency in government, anticorruption. And this President, I think, is a special leader because he has made a commitment to those values. We want to work with our friends in the region to bring stability and peace. And I value his advice and judgment. I mean, he's—no better person to listen to on an issue such as Moldova than the neighbor of Moldova.

And so he came to the Oval Office. I asked him, "What I can do to help? What can we do to move democracy forward," because the President understands that a democratic neighbor is one that will be a peaceful neighbor.

Listen, we all long for peace, and we understand the world will be more peaceful as freedom spreads. Free societies don't attack their neighbors. Free societies work for ways to live in peace. And so this is a special relationship because of the shared values, and I am honored to call the President my friend, and I'm honored to call Romania a strong ally.

And I want to thank you all for coming.

NOTE: The President spoke at 11:27 a.m. in the Oval Office at the White House. In his remarks, he referred to President Bashar al-

Asad of Syria; and Crown Prince Abdullah of Saudi Arabia.

Remarks on Energy Policy in Columbus, Ohio
March 9, 2005

Thanks for the warm welcome. Thank you all. Thanks very much. It's great to be back in the capital of Ohio. I have spent some quality time here. I have a history in Columbus; my grandfather, Prescott Bush, was raised right here. And down the road, my maternal grandfather, Marvin Pierce, was raised in Dayton, Ohio. I had to bring that up, otherwise Mother would call me. [*Laughter*]

I appreciate many of the great qualities of Columbus, Ohio. I appreciate the fact that you take your sports seriously. [*Laughter*] You've got the mighty Buckeye football team—understand there's going to be an interesting interstate clash next September, mighty Longhorns will be coming up. Make sure you treat them as hospitably as you treated me. Looks like the basketball team can play pretty well.

And this auditorium has its own sports tradition. Last weekend you hosted Arnold Schwarzenegger's international bodybuilding competition. When the Vice President heard I was coming, he asked me to pick up an application form for next year's competition. [*Laughter*] Matter of fact, the last time I was in Columbus, I was introduced by Arnold. [*Applause*] Yes. My, have times changed. [*Laughter*] Now I get introduced by Bodman, who is going to make a great Secretary of Energy but not such a good bodybuilder. [*Laughter*] But I appreciate your willingness to serve, Sam. We've got a lot to do.

And that's what I'm here to talk about, the importance of a sound national energy policy. Today I visited a fascinating company called Battelle—really interesting place. The workers there have a motto. They call it "the business of innovation." Pretty interesting, isn't it? "The business of innovation"—to me, it defines the entrepreneurial spirit which exists in that building. The spirit says there's nothing we can't do by working together. That's what it says. There are important problems to solve in America, and why don't we just put our minds to it, to use our skills and our talents to come up with innovative ways to deal with the energy challenges of today and tomorrow. That's what I saw at Battelle.

People in Washington can learn from that example. We need to work together in Washington. We have had 4 years of debate about a national energy bill. Now is the time to get the job done.

I want to thank the Members of Congress who have joined us today. Pat Tiberi, appreciate you coming, Congressman—and Dave Hobson. Very nice of them to take the afternoon off. They flew down on Air Force One, and they're flying back on Air Force One. It's a convenient way to travel, isn't it, guys? [*Laughter*] I look forward to continuing to talk to you about Ohio and its needs and issues.

I'm proud my friend the Governor is here. Governor Taft, thanks for coming. It's good to see you again. Appreciate you being here.

I know the speaker is here. And I had the honor—Speaker, good to see you. I had the honor of meeting the leader of the senate out at Air Force One. I want to thank all the house folks who are here. I want to thank the local and—the local officials who are here. I want to thank the industry and business leaders who are here. This is a subject that should interest you,

whether or not we've got the capability of working together to come up with a national energy plan.

I want to thank the good folks at Battelle, Carl Kohrt and Mort Collins, Bill Madia. I want to thank all the employees who were so gracious to me and Sam. I want to thank Greg Frank. I want to thank you all for coming. I appreciate your interest in your country and its future.

Today when I landed, I met Betty Cheney. Betty is a volunteer with a local Big Brothers Big Sisters program. She mentors a fifth grade girl. She takes time out of her life to make America a better place by lending her talent and love to help somebody.

The reason I bring that up, there's a lot of talk about the might of the United States of America. And we are mighty, and we are influential. We'll keep using our influence to spread freedom and peace. We'll use our influence to protect the homeland. We'll continue to work to grow our economy, which is what I'm here to talk about. But the true might of America is not the size of our military or the size of our wallet. It is the size of our hearts. The fact that Betty Cheney has heard a call to love a neighbor like she would like to be loved herself is indicative of the true strength of America. Betty, I want to thank you for setting a great example by serving in Big Brothers and Big Sisters, by mentoring a child. If you want to serve your Nation, if you want to be a part of a hopeful America, feed the hungry, find shelter for the homeless, love somebody who hurts, and together, we can change America one heart and one soul at a time.

As the people of Ohio know too well, our economy has faced historic challenges. Over the past 4 years, we've had a stock market decline. We faced a recession. We had a terrorist attack. We've had ongoing war. But we've confronted those challenges head on with good economic policy. And today, our economy is the fastest growing of any major industrialized nation. Last Friday we got more hopeful news about the American economy. America created more than 260,000 new jobs in February. We have now added 3 million jobs over the last 21 months, and more Americans are working today than at any time in our Nation's history.

I want to assure you that we will not rest. We know there are parts of the country which still struggle; parts of Ohio still struggle. Manufacturing communities were hit hard here in this State. I listened very carefully to the workers and small-business owners and local officials as I traveled your State last fall. And we're making—I know you're working hard to recover. And there are some positive signs when it comes to manufacturing. Factory output grew at its fastest rate in 5 years. That's positive for workers here in Ohio, but there's more to do.

This country must be the best place in the world to do business, to make sure that people can find work. We need legal reforms. The scales of justice must be balanced and fair, and we're making progress. I signed a class-action reform bill which will help make sure that people aren't driven out of work. I'm hopeful we'll get an asbestos bill that will make sure those folks who have been harmed by asbestos actually get paid, without driving good employers out of work.

One of the messages I heard here in Ohio is you're losing too many ob-gyns because of frivolous and junk lawsuits. We need national medical liability reform now, and Congress must deliver. We'll continue to open up markets for Ohio products but make sure the playing field is level. We'll make sure tax policy is reasonable and fair on our entrepreneurs. We don't need to be raising taxes. Taxes need to remain low so people feel comfortable about investing.

I'm going to continue to work on Social Security. Social Security is an important issue. It's an important issue because we've got unfunded liabilities that run in the trillions. This is debt to future generations of

Americans. Unless we do something about it, we're not going to be able to pay for it without wrecking the economy. I want all seniors here and seniors listening to know that nothing will change for you. You will get your Social Security check. The Government will keep its promise. I don't care about the political rhetoric. I don't care what the fliers may tell you or the TV ads. You're going to get your check.

But because baby boomers like me will start retiring in 2008—[*laughter*]—when I'm 62 years old, and because there's a lot of us and because we're living longer than a previous generation and because we have been promised more benefits than the previous generation and because there are fewer workers paying into the system to pay for people like me, younger workers need to be worried about whether or not they're going to be able to have a retirement safety net of their own. Grandmothers and grandfathers need to be worried about their grandchildren when it comes to Social Security. I have put the issue on the table because I believe the President must confront problems and not pass them on to future Presidents and future generations.

And I'm going to talk about this issue a lot. And I welcome Republican ideas, and I welcome Democrat ideas. It is time for us to set aside the partisan bitterness of Washington, DC, and come together and make sure there's a Social Security system for young Americans.

In order to make sure we have a growing economy, in order to make sure people can find work, in order to make sure the entrepreneurial spirit is strong in America, we need affordable, reliable, secure supplies of energy. And that's what I want to talk about today.

Everybody who drives a car or runs a farm understands the importance of energy. Every small business which dreams about expanding his or her—every small-business owner which dreams about expanding his or her own job base worries about energy. Families worry about energy. And higher prices at the gas pump and rising home heating bills and the possibility of blackout are legitimate concerns for all Americans. And all these uncertainties about energy supply are a drag on our economy. It is difficult for entrepreneurs to risk capital when they cannot predict the size of next month's energy bill. If small businesses have the choice between adding a new worker or keeping the machines running, they're not going to do much hiring.

As you learned here in Ohio in the summer of 2003, it's hard to plan with confidence if you're not sure the lights are going to stay on. During my second week as President, as Sam pointed out, I put together a task force to address America's energy challenges. Energy consumption was growing. Costs were rising. We had an unreliable power grid, and we were dependent on foreign energy. This task force sent back a hundred recommendations to improve energy policy, and we put some of them into effect. I mean, we streamlined the permit process to encourage exploration for oil and gas. We filled the Strategic Petroleum Reserve to improve our security during a time of war. We promoted new forms of energy conservation at Government facilities. We increased weatherization assistance by nearly 50 percent to help more low-income families insulate their homes and save on their heating bills. We've done some practical, commonsense things.

But I readily concede, these are first steps. This country must do more, and it requires legislative approval by the United States Congress. To meet America's energy needs in the 21st century, we need a comprehensive national energy policy. It's time for Congress to act, as I said earlier.

A sound energy bill must meet four objectives. It must promote conservation and efficiency, increase domestic production, diversify our energy supply, and modernize our energy infrastructure. And as we pursue all these goals, we will also uphold our

responsibility to be good stewards of the environment.

The first objective of a sound energy bill is to encourage the use of technology to improve energy conservation. We're constantly searching for smarter ways to meet our energy needs. We're constantly looking for new technologies to help Americans conserve. I mean, it makes sense, doesn't it? If you want to become less dependent on foreign sources of energy, we've got to be better conservers of energy. The more we conserve, the less we use, and the less we use, the less dependent we are on foreign sources of energy.

One of the reasons I went to Battelle was I wanted to see what innovative ideas they had about energy conservation. What were some of the true brains of America thinking about when it comes to encourage energy conservation. I saw an efficient, affordable water heater than extracts heat from the air and converts it into energy that can warm your water in the shower. See, that's energy conservation.

The Department of Energy is supporting dozens of other creative technologies just like that one that will increase conservation. We're helping to develop lighter automobile parts that will save weight without sacrificing safety. That is a good way to conserve energy. We got flat panel computer screens that can operate around the clock and consume very little power. That makes sense. There's traffic signals that give off more light while taking in less electricity. Today, you can store your food in super efficient refrigerators that use less energy than a 75-watt light bulb. I mean, we're making progress about using technologies that will enable us to conserve.

We're also applying practical technology to help Americans make better choices about energy consumption. We want to help you make good choices so you become better conservers of energy. Devices called smart meters show how much energy you're using and then calculate exactly what that energy is going to cost you. Seems like a practical idea, doesn't it? "Here's what you're using, and if you use it at this hour, this is what it costs." It'll help you plan. It'll help you better conserve. It'll give you incentives to turn off the lights the next time you leave the room. The Federal Government is helping consumers make wise decisions at the store by placing Energy Star labels on the most efficient products. If you're interested in joining in this important cause of conserving energy, look for the Energy Star label.

I've proposed tax credits for drivers who choose fuel-efficient hybrid vehicles. We want to encourage you to make good choices. Innovators are advancing technology every day, and America needs to be the world leader when it comes to energy conservation.

Secondly, we need to encourage more energy production at home. If you want to become less dependent on foreign sources of energy, you need to find more energy here. The need is clear. Over the past 3 years, America's energy consumption has increased by more than 3 percent, yet our domestic energy production has decreased by 2 percent. That means relying more on energy from foreign countries. That's what that means.

We now import more than half our oil from abroad. Think about that. More than half of the oil that we consume in order to maintain our lifestyles comes from overseas or abroad. And our dependence is growing. We're becoming more reliant upon natural gas, and a lot of it is coming from outside our borders. I believe that creates a national security issue and an economic security issue for the United States. And that's why it's important for us to utilize the resources we have here at home in environmentally friendly ways.

Increasing our energy security begins with a firm commitment to America's most abundant energy sources—source, and that is coal. Our Nation is blessed with enough coal to last another 250 years. We've got

a lot of it. In Ohio, you know the importance of coal firsthand. If you don't, listen to this: When you plug in a television or charge a cell phone or use electricity, there's a 90-percent chance that that electricity is coming from coal. Coal is at the heart of Ohio's energy strategy, and it should be at the heart of America's energy strategy.

Coal presents an environmental challenge, and I know that. Most of Ohio's coal is high in sulfur. And that makes it harder for your good State to meet strict air quality standards. That's why clean coal technology is critical to the future of this country. It's critical to the future of the State. It's critical for the job creators of your State. It's critical for the working people of your State. It's critical for this country.

When I ran for President in 2000, I pledged to invest $2 billion over 10 years to promote research into clean coal technologies. I kept my promise. My budget for 2006 brings clean coal funding to $1.6 billion over 5 years, and that puts us on pace to exceed my pledge by more than 50 percent. It's an important pledge, because I believe by utilizing the brains of America, like those I met at Battelle, we can come up with ways to burn coal cleanly.

And we're doing some interesting things. We're funding research into innovative projects, such as the process for converting coal into clean-burning gas. Think about it. We're taking coal—there's a process that converts it into gas that burns cleanly. A company in Cincinnati is cooperating with a coal plant in New Mexico to eliminate almost all sulfur emissions and turn the byproduct into a usable fertilizer.

Let me tell you something about something I just saw at Battelle that I think you'll find interesting. We got what's called a FutureGen project. This is a groundbreaking development. We're developing technology so that we can build the world's first coal-fueled zero-emission powerplant. I believe it's possible. I believed it was possible before I went to Battelle. Then I talked to the people who know what they're talking about—[*laughter*]—people on the front edge of research and development, and now I really believe it's possible. Someday—someday, we'll be able to energize this country.

I know it's hard. Most people have said burning coal without creating pollution was as likely as the Red Sox winning the World Series. [*Laughter*] Anything is possible. Clean coal technology advances—will advance, and when it does, our society will be better off. We'll become less dependent on foreign sources of energy.

To produce more energy at home, we need to open up new areas to environmentally responsible exploration for oil and natural gas, including the Arctic National Wildlife Refuge; that's called ANWR. The Department of Interior estimates that we could recover more than 10 billion barrels of oil from a small corner of ANWR that was reserved specifically for energy development. That's the same amount of new oil we could get from 41 States combined. Thanks to advances in technology—and Sam was briefing me on what he saw; he just went up there to look at the technology that would be used—we can now reach all of ANWR's oil by drilling on just 2,000 acres. Two thousand acres is the size of the Columbus airport. By applying the most innovative environmental practices, we can carry out the project with almost no impact on land or local wildlife. And that's important for you all to know.

You see, developing a small section of ANWR would not only create thousands of new jobs, but it would eventually reduce our dependence on foreign oil by up to a million barrels of oil a day. And that's important. Congress needs to look at the science and look at the facts and send me a bill that includes exploration in ANWR, for the sake of our country.

The third objective of a sound energy bill is to diversify our energy supply by

developing alternative sources of energy. If future generations can count on energy in many different forms, we'll be less vulnerable to price spikes and shifts in supply. To create more energy choices, Congress should provide tax credits for renewable power sources such as wind and solar and landfill gas. Congress needs to continue strong support for ethanol and biodiesel. We're going to continue to figure out ways to grow our way out of dependence on foreign oil. Someday, somebody is going to walk in and say, "Well, we got a lot of soybeans, Mr. President, and we're less dependent on foreign sources of oil because of biodiesel."

To ensure a diverse energy supply, we need to promote safe, clean nuclear power. Nuclear power can generate huge amounts of electricity without ever emitting air pollution or greenhouse gases. America hasn't ordered a nuclear powerplant since the 1970s, and it's time to start building again. Many people have concerns about the safety of nuclear power. I know that, and so do you. Yet decades of experience and advances in technology have proven that nuclear power is reliable and secure. We're taking early steps toward licensing the construction of nuclear powerplants, because a secure energy future must include nuclear power.

Another vital energy project is the hydrogen fuel initiative. When hydrogen is used in a fuel cell, it has the potential to power anything from a computer to a cell phone to an automobile that emits pure water instead of exhaust fumes. At Battelle, engineers have found a way to use hydrogen fuel cells to power the electronics on a Bradley Fighting Vehicle. The world is changing because we're thinking differently. Technology will help us leap the old, stale debate of energy and environmental policy. We're providing $1.2 billion over 5 years to help move hydrogen-powered cars from the research lab to the dealership lot. With a bold investment now, we can make it possible for today's children to take their driver's test in a pollution-free automobile. It won't help them with parallel parking—[*laughter*]—it's sure going to help us all be better stewards of our environment.

The final objective of a sound energy bill is to find better, more reliable ways to deliver energy to consumers. Some parts of the country, homes and businesses are receiving 21st century power through infrastructure that was made decades ago. Transmission lines and pipelines and generating facilities are deteriorating. Different regions share electricity over unreliable transmission lines. These strains on the system lead to higher prices, and they lead to bottlenecks in delivery. And just one piece of the power grid—if one piece fails, you in Ohio know the results, darkness across the map.

Congress can solve these problems in a few simple ways. Current law makes it optional rather than mandatory for power companies to ensure reliability across the electricity grid. Most of you consider it mandatory for the light to come on when you flip the switch. [*Laughter*] Congress needs to make sure that reliability on the electricity grid is mandatory, not voluntary, when it comes to our power companies.

We need to repeal the outdated rules that discourage investment in new power infrastructure. Incredibly enough, there's a law on the books from the Depression that prohibits new investment when it comes to expanding the transmission of electricity. That needs to be repealed. I mean, we're living in the 21st century. We've got a lot of work to do to make sure that we have reliable sources of electricity coming into our homes and into our businesses.

We need to make sure local disputes don't cause national problems when it comes to developing an infrastructure. Federal officials should have the authority to site new powerlines. Listen, we've got modern interstate grids for phone; we've got a modern connection with our highways; America needs a modern electricity grid, too, in order to make sure that we can

compete in a global economy, in order to make sure people can find work.

And as we grow our economy—and it's growing—and as we improve our energy supply—and you just heard a comprehensive strategy to do so—we'll also improve the environment. Too many people in Washington and around our country seem to think we have to pick between energy production and environmental protection, between environmental protection and growing our economy. I think that's a false choice.

Our economy is growing, and over the past 4 years, our air and water are cleaner. Over 30 years, our economy has more than doubled; air pollution has been cut in half. What I'm telling you is, there are practical ways to work together to use technology to make sure we can maintain our lifestyles, improve our lifestyles for future generations, and be good stewards of the environment. And I've got some interesting ideas on that. As a matter of fact, I've sent a good, innovative plan to Congress called the Clear Skies Initiative.

Clear Skies uses the power of free markets to reduce powerplant pollution by 70 percent without disrupting the energy supply or raising electricity prices. Let me tell you something, you need this bill for you in Ohio. That's why George Voinovich, a fine United States Senator, has been working so hard to get this bill out of the United States Senate. Clear Skies would allow almost every county in this State to meet strict new air quality standards while being able to keep your commitment to coal and therefore to reliable energy supplies and therefore to jobs.

Congress is debating the Clear Skies Initiative, but I'm going to act to get results. Soon the Environmental Protection Agency will finalize two rules similar to the Clear Skies Initiative. The Clean Air Interstate Rule will provide Ohio and eastern States with a practical, market-based solution to the problem of powerplant pollution that drifts from one State to another. This will help you. The Clean Air Mercury Rule will provide the first ever national cap on mercury emissions from powerplants and result in a 70-percent decrease in mercury levels. These rules provide some of the same benefits as Clear Skies, but they are not a substitute for effective legislation. To protect the environment, to protect jobs here in Ohio and around our country, Congress needs to get a good Clear Skies bill to my desk now.

Thank you for letting me come and talk about some of the big goals that I've set for our Nation's energy policy. I'm counting on the boldness and vision of the American people to meet them. I'm counting on the letters and phone calls from the American people to let Congress know now is the time to act. History has shown us that American innovation has never been short of supply. I mean, we're an innovative society. Think about how much life has changed for the better. I think about how much life will change for the better because of technology.

And there's no doubt in my mind, we can leave behind a better America. No doubt in my mind, we can become less dependent on foreign sources of energy. There's no doubt in my mind, we can lead better lives through the use of new, innovative technology.

Again, I want to thank the entrepreneurs at Battelle, the scientists and thinkers at that important organization for showing me firsthand what's possible. I want to thank you all for giving me a chance to share my vision for sound energy policy, but hopefully, you can get my sense of optimism about the future for our great country. There's nothing America can't achieve when we put our mind to it. It's an honor to be here. It's an honor to be the President of such a fabulous Nation.

May God bless you all.

NOTE: The President spoke at 2:08 p.m. at the Franklin County Veterans Memorial. In his remarks, he referred to Gov. Arnold

Schwarzenegger of California; Gov. Bob Taft of Ohio; Jon Husted, speaker, Ohio State House of Representatives; Bill Harris, president, Ohio State Senate; and Carl F. Kohrt, president and chief executive officer, Mort Collins, general partner, Battelle Ventures, William J. Madia, executive vice president for laboratory operations, and Gregory L. Frank, executive vice president, Battelle Science and Technology International, the Battelle Memorial Institute.

Remarks in a Discussion on Strengthening Social Security in Louisville, Kentucky
March 10, 2005

The President. Thanks for coming. It's great to be back in Louisville. Thank you all. Thanks for being here today. I think you're going to find this to be an interesting dialog about an important subject.

But before we get to Social Security, I've got some other things I want to say. First, I'm really proud of the job Anne Northup is doing as the Congresswoman from this State. She is smart. She is capable. She wants to confront problems now, before they become worse. She loves her family. She loves Louisville, Kentucky. Woody married well. [*Laughter*] So did I, by the way. Laura sends her best. She's doing great.

So, Anne, thanks. Thanks for introducing me. It's good to see you with your boys there. Boys, listen to your mother. [*Laughter*] I'm still listening to mine—[*laughter*]—most of the time. [*Laughter*]

Anyway, it's good to be here with Governor Ernie Fletcher. Governor, thanks for coming. I appreciate you being here. Lieutenant Governor Steve Pence—thanks for coming, Steve. The secretary of State, Trey Grayson—I appreciate you being here, Trey. Thank you all. Thanks for coming over today. It's good to see you all. I want to thank all the State and local officials who are here. I'm honored you would take time out of your schedule to come and listen to this dialog.

Before I start on some public policy, I do want to say thanks to Monica Hardin for coming. [*Applause*] Got a pretty good following—very good, Monica. You know, why I want you to thank her is because she is a volunteer; she is a soldier in the army of compassion. She represents the true strength of America, which is the hearts and souls of the American people. She is representing—representative of the millions across this country who volunteer their time to make America a better place.

Monica works for Kentucky Harvest, an organization that provides meals to people in need. If you want to serve our country, if you want to serve your State, if you want to serve your city, feed the hungry, find shelter for the homeless, put your arm around somebody who hurts and tell them you love them. America is a better place because of people like Monica. Thank you for your service.

We're living in amazing times. I have this firm belief that deep in everybody's soul is the desire to live in freedom. You know where I learned that? I learned that right here in America. That's what we believe. We also understand freedom is not America's gift to anywhere; freedom is divined from the Almighty. In every soul is the desire to be free, and you're seeing a world in which people are demanding to be free.

Think about what's happened. I particularly want the younger folks here to make sure you remember this period of history. In Afghanistan, millions of people went to

the polls. It wasn't all that long ago that the country was run by the Taliban, one of the most brutal regimes in the history of mankind. The country got liberated because we were acting in our self-interest, of course. But it was liberated. And then they went to the polls, and they voted. And you know who came to the Oval Office yesterday? A minister, a woman minister who actually ran for President—came in second, I think, to Karzai. President Karzai wisely put her in the Government. She came, and she said to me, "Mr. President, I couldn't wait to see you and look you in the eye so I could tell you and the American people thanks for giving us a chance to be free."

People want to be free. People want a chance to live in a free society. I believe there will be a democratic Palestinian state. That's what I believe. That's the only hope for peace in the Middle East, is for there to be a democracy evolved on the borders of our friend Israel. Free people don't attack each other. Free people want to live in peace.

Ukrainians elected a new President. The most amazing election besides Afghanistan, in my mind, however, was the election that took place in Iraq. The people—over 8 million people defied the terrorists. Think about the courage. Think about how strong that desire to vote was for the people that went to the polls. They lined up, in spite of the fact that there were still those who had just taken innocent life to promote an ideology that's backward and dark. But they refused to be intimidated. Over 8 million people voted. And what's important is for the people here to understand that when our world is more free, the world becomes more peaceful. We all want peace, and we want to leave behind a better world for generations to come. And the more freedom advances, the more peace will advance. These are amazing times. And my pledge to you is I will continue to use the influence of the United States of America to advance freedom around the world.

Last month, we added 262,000 new jobs—262,000 new jobs. The national unemployment rate is 5.4 percent. Kentucky's unemployment rate is 4.9 percent. [*Applause*] Thank you all. And the question is, what do we do to continue the progress; what do we do to make sure that people can find work?

Yesterday I went to Ohio. I expressed the concerns of many Americans when I talked about high energy prices, high gasoline prices. When I first got into Washington, I said to the United States Congress, "Here is a comprehensive energy strategy to make us less dependent on foreign sources of energy, to make sure we conserve better, to make sure we develop renewable sources of energy like ethanol and biodiesel. Here's a way to spend taxpayers' money to help us develop new ways to better use energy." And I said, "We need to make sure the electricity grid is reliable." Congress has been debating that issue now for 4 years. Gasoline prices are still going up. It is time for Congress to act. They need to pass an energy plan that'll make us less dependent.

There's a lot of issues we could talk about, but I'm here to talk about Social Security. People are probably saying, "Why would he want to bring that up? It used to be called the third rail of American politics. You grab a hold of it, and you get politically executed." [*Laughter*] You know, people would talk about Social Security, and then they'd run ads saying, "Well, he wants to take your check away." Or he'd say, "We might have a Social Security problem in the eighties," and they'd run ads saying, "Well, yes, sure, you elect this fellow, you're not going to ever get your Social Security check at all." That's the way it used to be, and therefore, people would shy away from talking about the issue. But I campaigned on the issue. I said, "If you elect me, I promise to work with people from both political parties to make sure we have a modern system for our children and our grandchildren."

We're here today to talk to some citizens. Interesting enough, we're going to talk to some granddads and granddaughters about Social Security. And this is an important dialog because there are many people across the country who have retired who understand that when the Government says, "You're going to get your check," we mean it. In other words, there's a lot of people who've heard that, "Well, if they talk about reform, they're not going to get their check." But we're changing that dynamic because the truth is nothing changes for people who have retired or are nearly retired—nothing changes. And more and more citizens understand that, and therefore, more and more grandfathers are asking the President, "How about my granddaughter? I understand I'm safe. What are you going to do about her?"

And here's the reason why the system needs to be addressed, and people are now beginning to understand this. First of all, I do want to applaud Franklin Roosevelt. I thought he did a good thing with Social Security. It's a very important system. It made a lot of sense to have a safety net for people when they retired. But the dynamics of Social Security have changed. People are living longer. People are having less children. There is a baby boomer generation getting ready to retire. I'm pretty aware of that. [*Laughter*] I am one. As a matter of fact, I think I'm the first year of the baby boomers, 1946, and we begin to retire in 2008. In my case, it's 2009, but anyway. [*Laughter*]

There's a lot of us. See, there's a bulge. And we're living longer, and we've been promised greater benefits than the previous generation. You've got a lot of people getting ready to retire who are living longer, who've been promised greater benefits. And the payers into the system are declining, relative to each beneficiary. In the 1950s, there was 16 to 1, 16 payers for every beneficiary, so that if a person were to receive $14,200, like we do today, each worker would be paying $900 into the system so that we could take care of that soul. Today, it's 3.3 workers per beneficiary. Soon it will be two workers per beneficiary—more people, living longer, getting paid more money, and fewer people paying for it. That math says, "We've got a problem."

Now, first, you know, I'm sure some folks think that the Social Security trust is actually a system where the Government has taken your payroll taxes, kept it for you, and then is going to give it back to you. This is a pay-as-you-go system. There's no such thing as a trust. The money that has come in has been spent. So the money—the payroll taxes coming in are now paying for those who've been promised benefits, and everything is fine because the payroll taxes exceed the amount of money that needs to go out. But in 2018, that changes, because baby boomers like me are retiring and living longer and have been promised greater benefits. As a matter of fact, the money going out in 2018 is greater than the money coming in, and it accelerates every year thereafter.

To show you the extent of the problem—and that chart shows that right there, cash deficits. That means more money going out than coming in. In 2027, $200 billion a year is going to be required—more than the payroll taxes—just to make good on the promises. And every year thereafter, it gets worse. That's why that line is very steep—[*inaudible*]—on that chart.

So we've got to do something. And a lot of grandfathers understand we've got to do something. I look forward to the wisdom of our seniors. I look forward to their input as to what ought to be done to make sure this system works. There's a safety net for retirees. There's a hole in the safety net for a younger generation coming up. And that's why I've asked Congress to discuss the issue. I guess it's just my nature. I believe when you see a problem, you've got to deal with it and not pass it on to future Presidents and future Congresses.

In my State of the Union, I said to the United States Congress, "All ideas are on the table. First, we've got a problem. Secondly, seniors must not worry about getting their checks. As a matter of fact, we want to hear from them as to help solve the problem. And thirdly, let's work together to solve it." And so all ideas are on the table. I quoted President Clinton's ideas. I quoted Congressman Tim Penny, former Congressman from Minnesota, Democrat; Daniel Patrick Moynihan, former Democrat Senator from New York. I quoted a lot of interesting ideas and said, "They're all on the table. Now come to the table."

If you see a problem, Member of Congress, regardless of your party, you have an obligation to come to the table. You've got an obligation to sit down and come up with a permanent solution. We don't need a bandaid solution for Social Security. We need to solve this issue now and forever. The longer we wait, the worse it gets to solve it. And when we sit at the table, let's make sure we do our duty to fix it forever.

You might remember in 1983, they solved the Social Security problem. They said, "It's a 75-year fix." Well, here we are, 22 years later, looking at a system that's going to go into the red in 2018. You know, it's one thing to tell the people that you're going to fix it, but this time we are, permanently. We're going to make sure that this issue—a safety net exists for younger generations coming up.

So I want to talk about some ideas with Congress, and I have. I've been meeting with them—met with a group of Members of the House today. I'm traveling a lot. I'm going to Alabama and Louisiana and Tennessee this week. I'll be going next week to Florida—check in on the brother. [*Laughter*] I'll be heading out west to Colorado and New Mexico and Arizona. I'm going to go out and I'm going to talk and talk about this issue. I'm going to tell the American people we have a problem, seniors do not need to worry, and they should demand that their elected Representatives, both Republicans and Democrats, come to the table and do our duty as elected officials.

You don't have to worry about the Congresswoman. She's not only at the table; she's got some fabulous ideas. Here's one idea that I want Congress to consider. I want Congress to think about allowing younger workers to set aside some of their own payroll taxes to set up a personal savings account. That's what I want Congress to consider, and I'll tell you why. There's a couple of reasons why.

First, there's something called the compounding rate of interest. You set aside money early, and it grows exponentially over time. As a matter of fact, it accelerates in growth the longer you hold it, and that's important. And the reason why it is important with Social Security is because the money in the Social Security trust will earn substantially less than that in a mix of conservative stocks and bonds. In other words, by allowing you to set aside your own money, you'll be able to take advantage of higher interest rates, higher compounding rates of interest, which will accumulate more money.

Let me give you—see if I can give you a math example of this. A worker, making $35,000 over his or her lifetime, if allowed to set aside 4 percent of the payroll taxes into a personal account, over time, by the time he or she retires, will have earned $250,000 as part of the retirement system. Now, that's her money. That's money that she will be using for retirement.

A couple of other things I want to share with you. One, you can't take your money and set it aside for the lottery or for casinos. There will be guidelines in which you can invest your own money. These guidelines are pretty well set in stone. You know why? Because the Federal Government allows its employees to do just this. Do you realize Federal workers are able to set aside some of their own money and manage it in safe stocks and bonds so it can get a

better rate of return than that in their own retirement systems—the Government retirement system, and they're able to build up their own asset base? Federal employees have been doing this for years. It's a good system. It means they're going to end up with more money because of the compounding rate of interest.

And so there are guidelines as to what you can invest in. I was being somewhat facetious on the lottery, but really not. There's a proper risk/reward portfolio that will allow you as a younger worker to pick a mix of stocks and bonds. Oh, I know they say certain people aren't capable of investing. You know, the investor class—it kind of sounds like to me, you know, a certain race of people living in a certain area. I believe everybody's got the capability of being in the investor class. I believe everybody should be allowed to watch their own assets grow, not just a few people. I like the idea of somebody opening up their statement on a quarterly basis and watching their asset base grow. It basically means they're going to pay closer attention to the fiscal policy of the Government. I like the idea of somebody being able to build an asset base and leaving it to whomever they choose.

Do you realize the Social Security system today, if you're a widow, before the death benefits come your way, that there could be 10, 20 years, depending upon when your husband died, that the money just—that he put in the system just evaporates; it's not there. I've met women, they sat on the stage here, telling me what it was like to have their husband die before 62 years old and have nothing. The money they put in the system just wasn't there for them.

I think it makes sense to have a retirement system—voluntary retirement system. You get to choose whether or not you want to set aside some of your payroll taxes so you can build up your own asset base, just in case your husband or wife predeceases you or you predecease your husband or wife, so they can have an asset. I think it makes sense for somebody to build up an asset base and say to a child, "I've worked all my life. I've set aside money, and I want you to be able to better afford your life, and so this is for you when I pass away."

That's what these accounts offer people. They offer people a chance to invest their own money in safe, conservative stocks and bonds. They can watch it grow over time, to add on—to complement Social Security. See, this isn't to replace Social Security. This is to complement Social Security. And so you'll be getting a check from the Government, and you'll be getting interest out of the Social Security—out of your own personal account. And so what I'd like—what I want to do is I want to talk to—and so I want Congress to consider the very same ideas they allow Federal workers to do.

Now, I've asked Jeff Brown to join us today, Ph.D. Yes. I'm the C-student. [*Laughter*] He's the Ph.D. He's the adviser. I'm the President. What does that tell you? It tells you there's hope for all you C-students out there. [*Laughter*]

All right, Jeff. What do you do? What do you do?

[*At this point, Jeffrey R. Brown, assistant professor, Department of Finance, University of Illinois at Urbana-Champaign, Champaign, IL, made brief remarks.*]

The President. What he's saying is, "I'm a dad. I'm concerned about the future of my kids, and if we don't do something, my little kids are going to start being in the workplace when it's going to cost us 200 billion a year more to pay for me, more than 200 the next year, 300 billion. And eventually, the numbers just keep increasing." And so the fundamental question is, are we going to address the generational issue? That's the fundamental question facing the country right now. Do we have

the political will to stand up, come together, get rid of all the politics in Washington, DC, and focus on the next generation?

And that's what we're here to talk about, about generational politics. We've got two granddads and two granddaughters. And we're going to start with Gerald Allen, grandfather.

Gerald Allen. I'm Gerald Allen. I'm here with my granddaughter, Lindsey. I'm 71 years old, and I've been drawing Social Security since I was 62. And I feel——

The President. Pretty good. You haven't missed a check yet, have you?

Mr. Allen. No, I haven't missed a check yet. [*Laughter*] And I still feel confident that I'm going to get them continually.

The President. Yes. That's an important statement. He just said he's still confident he's going to get his check. People who are counting on Social Security need to understand you're going to get your check. And you need to understand I know that a lot of people count on their Social Security check a lot. There are a lot of folks in Kentucky, a lot of folks in Texas, a lot of folks around the country where that check means everything to them. And I know that.

Keep going. [*Laughter*]

Mr. Allen. Well, I feel like this private account would be great for our grandchildren, because when they get up to the age of retirement, they'll have a nest egg for them just like I've got myself.

The President. Yes, it's an interesting—obviously, you've got—you share concerns about whether or not Lindsey is going to have a Social Security system. I mean that's getting out there, I hope. People understand it. When you're sitting around the coffee shop, are they saying, "I'm okay, but my granddaughter is not"?

Mr. Allen. Right.

The President. That's good to hear. Part of my job is to make sure people understand the nature of the problem. See, if Congress doesn't think there's a problem, nothing is going to happen. But when Congress realizes people all over the country say, "We've got a problem," then I pity the politician who stands in the way of the solution.

Ready to go? Lindsey Mottley is a student at the University of Louisville. Let me ask you something. Are you going to be in the library or at the basketball game today?

Lindsey Mottley. Definitely the basketball game.

The President. Your granddad is here. He's worried about you. How about you? What are you—give me your view of Social Security.

Ms. Mottley. Well, I've worked since I was 16 years old, so I saw Social Security come out of my tax since then, and it just kind of goes away. And I don't really know where it goes, because I don't think that I'll ever see the benefits of it. So I think the personal accounts is a great idea, because once that Social Security does come out, I will be able to see it go into a personal account, which will build up for me to be able to support myself later in life.

The President. Yes, see, it's an interesting issue, isn't it? When I was 22, I don't remember anybody saying to me, "You better worry about Social Security." That's because there were a little less than 16 to 1 workers per beneficiary, but the pay-as-you-go system still worked, because there was a lot of workers paying in for the beneficiaries. Plus, the benefits hadn't quite escalated as fast as the politicians promised. In other words, there was still reasonable benefits, relative to the people paying in. And now we've got a 21-year-old—excuse me, is that right?

Ms. Mottley. That's right.

The President. Nothing worse than an old guy getting an age wrong. [*Laughter*] Saying, "Mr. President, I'm sitting here on stage"—all the cameras, a lot of people—it's not an easy thing to do—wants to talk about whether or not there's going to be a Social Security system available for her.

It's an interesting dynamic, isn't it? Things have shifted. That's why I said Social Security is no longer the third rail of American politics. What is the third rail of American politics is a bunch of young people saying, "You're sticking me with a system that's not working, that's broke, and you better do something before I have to pay all that money—we're going to have to change the whole way we employ people, for example, and so—by raising taxes."

There's different points of view on the issue. [*Laughter*] And the fundamental question is, are people willing to sit down at the table in a civil way and discuss how to solve the problem? That's what we're here to talk about. Isn't that right? Are you giving or taking points? [*Laughter*] Don't answer that. That's a leading question.

Ms. Mottley. Okay. [*Laughter*]

The President. You know something else that's interesting? There's a change. A lot of people have got what they call defined contribution plans now. You know what that is, 401(k). There's a group of people coming up in the country who are used to managing their own assets. In other words, there's a shift in investment culture as well that makes—to me, it makes the personal accounts a logical extension within the Government retirement plan.

We got Larry Dean and Bee Dean with us. Larry Dean, glad you're here.

Larry Dean. Yes, sir.

The President. Live right here in Louisville?

Mr. Dean. Yes, sir.

The President. What do you do?

Mr. Dean. I sell antiquarian books online.

The President. Do you really?

Mr. Dean. Yes, sir.

The President. I'm glad you didn't get ahold of my wife. She loves those kind of books. [*Laughter*]

Mr. Dean. Well, maybe I can sell her a few. [*Laughter*]

The President. Well, a little short on money these days, you know? [*Laughter*] Government pay. [*Laughter*] Tell me about yourself, besides being an entrepreneur.

Mr. Dean. I'm 66 years of age. I, like Gerald, have been drawing Social Security since I was 62. Call me a Pollyanna, but I have no fear that I will never be able to draw it. But I do have fears for my granddaughter and all of my grandchildren and even my children, your age——

The President. Yes.

Mr. Dean. ——some about your age, as a matter of fact.

The President. I'm 58. [*Laughter*]

Mr. Dean. I'm sorry. They're not quite that old. [*Laughter*]

The President. I was about to say, 8-year-old father, fantastic. [*Laughter*]

Mr. Dean. Well, I'm in Kentucky, you know? [*Laughter*]

The President. All right. Back to the subject. [*Laughter*]

Mr. Dean. I was going to say, on balance, I really feel that the Social Security system proves that the Government can do something right.

The President. You're right.

[*Mr. Dean, owner, Legacy Books, Louisville, KY, made further remarks.*]

The President. Yes, I couldn't agree more about your statement about the value and the worth of the Social Security system. It has worked. And the question is, can we make it continue to work?

Everybody wants to strengthen the system, not dismantle the system. We want to make it—we want to take the same notion of having a safety net for those who have retired and make it work better, and I appreciate your thought on that.

And the math is simple—more people living longer, getting greater benefits, and fewer people paying into the system. That's the math. And that's why Larry has agreed to sit up here and talk about this issue and bring Bee with him. Bee, welcome.

Rebecca "Bee" Dean. Thank you, sir.

The President. Pretty good grandfather?

Ms. Dean. Yes, he does all right. [*Laughter*]

The President. That's good to hear.

Ms. Dean. He'd be in the hot seat if he didn't.

The President. That's right. [*Laughter*] What do you do?

Ms. Dean. I am a student at the University of Louisville, graduating in May.

The President. Congratulations.

Ms. Dean. Thank you.

The President. Major?

Ms. Dean. In psychology.

The President. Psychology?

Ms. Dean. Yes. So I'm sitting here thinking about everything you're saying.

The President. That's right. [*Laughter*]

[*Ms. Dean made further remarks.*]

The President. That's good. See that? She's got the philosophy down. First of all, it's her money. You notice, she said, "Take money out of my check"—if she wants to; this is a voluntary program. If people say, "Well, I don't think I want to try that. I'm not so sure it suits the way I think." It's voluntary. The Government has got to say, "You have a choice to taking some of your own money and setting it up in an account." Now, as I mentioned earlier, Bee is not going to be able to take it to the gambling house. There will be a set series of investment vehicles, safe investment vehicles, that will grow over time. These aren't short-term investments. If she was allowed to put some of her own money away now, the money will grow. In about 10 years, it, I guess, doubles; then it begins to grow more. And as she gets near retirement age, that money grows exponentially fast because you've got a larger amount of money growing at a—with a rate of return that's bigger than what you're getting out of the Government. And that's what important about this concept.

It's interesting, isn't it, that 22-year-old people or 21-year-old people are saying, "What are you going to do about my future?" And a lot of people say, "Well, the 22-year-olders could care less about politics." They're going to start caring a lot when they realize in 2018, they're going to see the money start—that's going out is greater than coming in. They're really going to care in years like 2027, when it's 200 billion a year more than the payroll taxes are paying, and it gets greater every year. People are beginning to pay attention to this issue. And Congress needs to pay attention to what the people are paying attention to.

I want to thank you for giving us a chance to come here to the great city of Louisville, Kentucky. I want to thank you for your interest in this subject. I want to thank you for your recognition that you can help affect public policy through your voice. I want to thank our panelists for agreeing to sit up here and share their thoughts and talk about Social Security.

I'm looking forward to this. I love to get out amongst the people and talk about big issues. I like to work with Members of Congress from both parties to solve problems. I want it to be said that we came to Washington, DC, saw a significant problem, and left behind a better America. And thank you for joining in this dialog with us. God bless.

NOTE: The President spoke at 12:07 p.m. at the Kentucky Center for the Performing Arts. In his remarks, he referred to Robert Wood "Woody" Northup, husband of Representative Anne M. Northup; Gov. Ernie Fletcher, Lt. Gov. Stephen B. Pence, and Secretary of State Trey Grayson of Kentucky; Minister of Women's Affairs Massouda Jalal and President Hamid Karzai of Afghanistan; President Viktor Yushchenko of Ukraine; and Gov. Jeb Bush of Florida.

Remarks in a Discussion on Strengthening Social Security in Montgomery, Alabama
March 10, 2005

The President. Thanks for coming. I'm honored to be here on the campus of Auburn University in Montgomery, Alabama. What a great place. And I want to thank Guin Nance and all the good folks for helping to set up this trip. It's not easy to welcome our entourage. It seems to be a little bigger than the last time I came here. [*Laughter*]

I've got great, fond memories of Montgomery. We were just talking backstage about the Elite Cafe. [*Laughter*] Hank Williams's grave. [*Laughter*] Somebody said maybe my old friend, the old former mayor, Emory Folmar will be here. Is he here? Emory, how're you doing? I see some of the Blounts here. I remember working for Guin's daddy.

Anyway, thank you all for coming. We're going to talk about Social Security, and there's no better place to do it than on a college campus because college kids need to pay attention to this issue, and I think you'll know what I mean after I finish talking.

Before I get into the subject, I want to first say that I'm sorry Laura is not with me.

Audience members. Aw-w-w!

The President. That is generally the reaction—[*laughter*]—which sometimes I interpret to mean, "We wish she was here and not you," but nevertheless—[*laughter*]. She's doing great. She is a fantastic wife, a wonderful mother, and a great First Lady for the country.

Speaking about first ladies, it's good to have the first lady of the great State of Alabama here, and she brought her husband, the Governor. Good to see you, Riley. I knew Riley as a Congressman, and I told him, I said, "If you get elected down there, you're going to love being the Governor." It's a great job, isn't it? And you're doing a great job. Good to see you. Thank you all for coming. Making tough decisions.

I'm proud of your Congressman, Mike Rogers. Mike, thank you for being here. And thanks for bringing Beth. I want to thank the attorney general, Troy King, for coming. I'm glad you're here, Troy. You don't look old enough to be the attorney general. I want to thank the State auditor, Beth Chapman, for coming. I want to thank the State treasurer, Kay Ivey. I thank all the State and local officials who are here, really appreciate you coming.

I've got some things on my mind. Before I get to the subject at hand, I do want to thank Woody Woodcock, who came out to see me today. Some of you may not know Woody. Where are you, Woody? Somewhere—oh, there you go, Woody. Good to see you. Thanks for coming.

Let me tell you why I asked Woody to come. You're not going to believe this, but he has spent 7,000 hours on adult literacy in Montgomery, Alabama. This is a guy who's taken time out of his life to help somebody learn to read. I can't think of a greater gift and a better way to serve your community. And the reason I bring this up is because the strength of this country is the hearts and souls of our people. We've got a great military. We'll keep it that way. We've got a strong economy. We'll keep it that way. But those aren't the strengths of America. The strengths of America are the fact that there are millions of people across our country, like Woody, who are willing to take time out of their day to feed the hungry, provide shelter for the homeless, mentor a child, mentor an adult, put their arms around somebody and says, "I love you. What can I do to help you?" And if you want to serve our country, be one of those soldiers in the army of

compassion, to make America a better place.

It's an exciting time around the world. It must be amazing for college students to pick up the newspaper and see there was an election in Afghanistan after years of tyranny. There was an election in the Palestinian Territory where the candidate said, "Let's live side by side with Israel in peace." There was an election in Ukraine. There was an election in Iraq, where the terrorists had declared that democracy could not prevail. Yet millions went to the polls.

It must be amazing to see how powerful freedom is for you. I've always believed it. I'm a little older, so I've had a little chance to absorb the sense that—the concept that freedom is universal and freedom is powerful. But you're getting to watch it. And that's important, because free societies will be peaceful societies. We're still in a different kind of war, and the way to win this war, long term, is to help people realize the great call of freedom that's very deep in their soul. Freedom is on the march, and the United States of America will use our influence to continue to make this world more free and more peaceful.

More people are working now in America than ever before in our Nation's history, and that's good. We've overcome a recession. We've overcome terrorist attack. We've overcome corporate scandals. We'll overcome war. We've overcome a lot because the entrepreneurial spirit in this country is strong.

The unemployment rate is Alabama is 5.3 percent. Congratulations, Governor. Actually, you only get partial credit. The credit goes to the entrepreneurs and dreamers and risktakers and doers. And our job in government is to create an environment in which people are willing to take risk.

Yesterday I was in Ohio talking about the need for the Congress to get an energy plan to my desk. I submitted a strategy in 2001. And I said, "Listen, we got a problem. We're importing too much—too many hydrocarbons from overseas. The supply and demand is getting out of balance." You're seeing it at the price of the pump right now, what I was talking about. I said, "We need to encourage conservation. We need to encourage use of renewable sources of energy, ethanol and biodiesel. We need to do smart things with taxpayers' money to encourage the growth of new technologies."

When I went up to Columbus, I visited a research facility and talked to a person who's in charge of developing a zero-emissions coal-fired electrical plant. It's going to happen. We need to do something about our electricity grid. And yet they've been debating for 4 years. It is time for Congress to stop debating about energy and get a good energy bill to my desk.

We need more legal reform in Washington. Did something on class-action lawsuits which will help make sure this economy continues to grow. I think they're going to get something done on asbestos. And for the sake of good health care, Congress needs to get me a medical liability bill so we don't run good doctors out of practice and run up the cost of medicine.

I want to talk about Social Security. First thing is, people are saying, "Gosh, I'm surprised he's even willing to talk about the issue." You remember, it was called the third rail of American politics. You talk about it, and you make suggestions about it, sure enough, the next thing you know, there will be a blizzard of TV ads trying to run you out of office. It was used—Social Security was used in a lot of campaigns to frighten people. You know, "Well, if he's talking about reform, that means a senior is not going to get his check." But I'm talking about it, because I believe the job of a President is to confront problems and not pass them on to future generations and future Presidents.

And I'm about to tell you we got a problem. We've got some panelists here. I think you're going to find the conversation to be interesting. We've got a granddad and a

grandson, a granddad and granddaughter. And the reason I've asked them to join us is because this is a generational issue we're talking about.

Social Security is a vital system, and Franklin Roosevelt did a good thing in putting it in place. It provided a safety net for a lot of citizens, and it worked for a lot of years. But it's not going to work in the out years because the math has changed.

Let me tell you about the math. This is a pay-as-you-go system. Money goes in, and money goes out. There's no such thing, by the way, as a Social Security trust. Some people probably think that the Government has taken your payroll tax and held it for you, and then when you retire, they give it back to you. That's not what happens. [*Laughter*] The Government takes your money and spends it on other things and puts an IOU, a piece of paper, on your behalf, which may be worth something, and it may not be worth something.

The math is this. Baby boomers like me are fixing to retire. I will be retirement age—of retirement age in 2008. It's coincidental, isn't it? [*Laughter*] That doesn't mean I'm going to quit working. I'll be eligible for Social Security. That's when I turn 62. And I'm the leading edge of a lot of other people. The baby boomers are getting ready to retire, and there's a lot of us. And we're living longer years than before, and that's good. It's good that we have a healthier society. We're making better choices. If you want to live longer, exercise, by the way; make good choices about your body. We're living longer, and we have been promised greater benefits than the previous generation. In other words, people ran for office, said, "Vote me. I'll increase your Social Security benefits." That's what happened.

So start thinking about the math: More people living longer, getting greater benefits, and fewer people paying. In 1950, that chart will show you, there was 16 workers to one paying into the system. And therefore, if the average payout for Social Security would be 14,200, that means each worker would be paying $900 a year to support that one retiree. That's manageable. Today, it's 3.3 workers to each beneficiary. Therefore, the cost is now up to $4,700 per worker. Soon, it's going to two workers per beneficiary, and that's assuming the benefits stay at $14,200 on average.

In other words, you've got fewer people paying into the system. And the system, which was a great system, now needs to be modernized because if we don't, the money going out—which you can see on this chart—will be greater than the money coming in starting in 2018, and it just perpetually declines. Our Government can't afford that. You see, because baby boomers like me are retiring and fewer people are paying in, the system goes into the red starting in 2018; 2029, it's $200 billion short—that's short after payroll tax. So you've got younger workers paying in, trying to pay for me, but the Government isn't being able to make its promise. And that's the problem. And it's a problem we've got to address, because the closer we come to 2018, when it starts in the red, the harder it is to solve the problem.

Now, we've tried to solve this problem before. In 1983, Congress came together and said "We've got to make sure the safety net works." And they said, "We'll put a 75-year plan out there." This was in 1983. President Reagan brought Republicans and Democrats together, which, by the way, is a good model for President Bush, that it's going to take Republicans and Democrats to come to the table, and I expect both parties to be at the table. But they said, "You know, we'll get a 75-year fix on Social Security in 1983." Well, it didn't last very long, did it?

See, what we need to do is address the root cause, the demographics, which have shifted, and fix this system permanently. And that's why I've come to Montgomery,

Alabama, and that's why I'm going to Tennessee tomorrow, and I'm going to Louisiana. And that's why I'm going to travel next week and the week after that and the week after that. I'm going to make it clear to the American people, we have a problem. And I'm also going to make it—say it as plainly as I can, "I don't care what the TV ads say. I don't care what the pamphlets say. If you've retired or near retirement, the Government will pay you what we've said we'll pay you. That's reality."

I was talking to Rogers about this. He said, "There's a lot of people in my State who rely solely upon Social Security," and I understand that. A lot of people in my State too, people who count on that Social Security check coming in every month. It's an important part of their retirement. And I assured the Members of Congress, when I've talked to them, I understand why somebody would get nervous when they're talking about Social Security. Because somebody is saying, "Really what he's going to do is he's going to take away your check."

And so it's going to be an important part of this campaign around the country to make it clear to those who are receiving their Social Security check, nothing changes—nothing changes. And when I convince people of the truth—it's a lot easier to convince people of the truth, by the way—when I convince them of the truth, then the American people, particularly younger folks, are going to start saying to those of us who have been elected, "You said we got a problem, and we believe you. The seniors don't have anything to worry about. What you going to do for us? What are you going to do for younger workers who are going to have to pay the burden for a system that needs to be modernized?"

I'm saying to the Members of the United States Congress, "Let's fix this system permanently—no bandaids. Let's do our duty." And I believe that when this debate gets moving hard and people get educated about the realities of Social Security, woe be to the politician who doesn't come to the table and try to come up with a solution. There's too much politics in Washington, DC. People need to negotiate in good faith. There's too much, "Well, I can't do it for the sake of my political party." People in both political parties need to come together and fix this for the sake of America, first and foremost.

In my State of the Union Address, I did something a President I don't think has ever done, and that is said all options are on the table. I said, "If you've got a good idea, bring it up. Let us hear it." You know, a lot of times, people would lay out an idea on Social Security and try to trap somebody, politically trap them so that you can then get them. But I said to the Congress, "If you've got a good idea, come on with it. Let us hear it."

And I've got some good ideas, myself, in order to permanently fix Social Security. And one interesting idea that needs to be a part of a permanent fix, because it, in itself, is not a permanent fix, is to let younger workers take some of their own money and set it aside in a savings account.

Now, let me tell you why I think this is an interesting idea. First of all, I like the idea of people owning something. I think we need to develop and encourage ownership in our society. Do you realize the homeownership rate is at an alltime high in America? More minorities own a home than ever before in our Nation's history, and that's positive. It's incredibly good news. I love the fact, when I meet people from all walks of life who say, "I own my own business."

I want people saying, "I own and manage a part of my own retirement account." But that's not a new concept. It's happening already. When I was young, I didn't know anything about 401(k)s because I don't think they existed. Defined benefit plans were the main source of retirement. Now, they've got what they call defined contribution plans. Workers are taking aside some

of their own money and watching it grow through safe and secure investments.

As a matter of fact, the concept is such a good idea that the Federal Government allows Federal employees to do just that. In other words, they say, "You can take some of your employment money and set it aside in an account of stocks and bonds." The reason the Federal Government lets employees do that is because the Federal Government understands that when you save in stocks and bonds, that the rate of return over time, the compounding rate of interest, will enable your money to grow substantially more than if the Government holds it for you. It's a smart thing to do, to let Federal workers do that.

I remember one of the fellows working at the White House said, "I heard you talking about personal accounts and Social Security." He said, "I love my Thrift Savings Plan." Now, he's not the investor class. He's a fellow I don't think went to college. But the reason I bring that up is there's an attitude among some people in this country that only certain people can invest. That's not what I think. I think everybody in America should be allowed to take some of their own money and set it aside and watch the money grow in safe and secure investments. I don't think there is such thing as a investor class limited to certain people. I don't believe that.

Now, you can't take your money under this idea and put it into the lottery. [*Laughter*] That's not safe, with all due respect, Governor. [*Laughter*] You have a lottery? No. It's not safe. Got one in Texas. Anyway, you can't take it to the track. Got a track? No, no. [*Laughter*] You can only put it in safe and secure stocks and bonds, and you hold it for time.

Another good part of this plan is that a permanent fix will mean younger workers probably aren't going to get the promise the Government has made. We can't afford it. But because of the compounding rate of interest, if you start saving money early, your asset base will grow. And that asset base, along with whatever the Government is going to pay you, becomes the basis for your retirement. And you withdraw, on a regular basis, interest off of your capital.

Now, let me give you an idea of what I'm talking about. If you're a worker who has made $35,000 over your lifetime and the Government says you can set aside 4 percent of your payroll taxes into a personal account, by the time—and you invest in safe and secure stocks and bonds, by the time you retire, your personal savings account will be worth a quarter of a million dollars—$250,000. And that's yours. If you've averaged more money over your lifetime, the money goes up exponentially, and it's your money. It's your money you can retire on. But if Social Security is just a part of your retirement package, and you feel comfortable, it's your money you can give to your children or your grandchildren.

Now, we're going to talk an interesting story about what happens to some people here who die earlier than expected and what it means for Social Security. But if that were to happen, you can pass that on to your widow.

There's a lot of benefits with this idea, and it's a new idea. It's not a new idea when it comes to investing. It's not a new idea when it comes to what's happening with 401(k)s or with the Federal Government. But it's a new idea for Social Security. It's a way to make sure that Social Security is complemented with more money available for the workers. And that's an idea I want Congress to seriously consider. I think it's an idea that makes a lot of sense, and I'm going to continue talking about it.

I want—I've asked Jeff Brown to join me. He is a professor. He can tell you where—where do you profess? [*Laughter*]

Jeffrey R. Brown. I have a Ph.D. in economics, and I teach at a business school.

The President. Yes. It's an interesting lesson here, by the way. He's an adviser. Now, he is the Ph.D., and I am a C-student—or was a C-student. Now, what's that tell

you? [*Laughter*] All you C-students at Auburn, don't give up. [*Laughter*]

All right, I try to have an expert on these panels so that people think there's somebody else who believes we've got a problem, other than me. [*Laughter*]

[*At this point, Dr. Brown, assistant professor, Department of Finance, University of Illinois at Urbana-Champaign, Champaign, IL, made brief remarks.*]

The President. Yes, 13 years is—if you think in 2-year cycles, 13 years is a long time. But I don't think in 2-year cycles. Thirteen years is really quick. How old are your children?

Dr. Brown. My oldest is 7, on down to one.

The President. Yes. That's right around the corner, by the way.

Dr. Brown. I do know.

The President. Yes.

Dr. Brown. Yes, 13 years, my oldest will be in college, so it's not very far away. And so what we need to do is think about ways to change the system to help us individually as well as a country, to save more, because when we all save more, it's not just ourselves that benefit from that, but the economy benefits. When there's more savings, there's more investment. When there's more investment, people's wages go up. So this is—changing the system to make it more of an investment-based system can really be good for long-term economic growth.

The President. Yes, you understand what he's saying about this. There's a macroeconomic effect when we encourage savings. When there's savings available, it means capital is available. And capital is what fuels the growth of small businesses. Capital is what fuels productivity increases. Capital is what makes a capitalist society work. Anything else?

Dr. Brown. It's up to you.

The President. Keep going. [*Laughter*]

Dr. Brown. As I said, I'm a professor, so I can keep going as long as you want me to. [*Laughter*]

The President. A funny professor. [*Laughter*]

[*Dr. Brown made further remarks.*]

The President. Glad you came, Professor.

Dr. Brown. Thank you.

The President. You ready? Got to speak close. All right, we've got George Wood with us. George, thanks for coming. And by the way, George Wood Moody—is that right? George Walker Bush, George Wood, George Wood Moody. [*Laughter*] G.W., W.—thanks for coming. [*Laughter*] Ready to go? Why are you here?

George Wood. I'm 79 years old. I fully expect to retire sometime within the next 25 years. [*Laughter*] Professionally, my partner, Todd Parsons, and I work with Synovus, and part of what we do is work with people to arrange their finances for retirement.

[*Mr. Wood, senior vice president, Synovus Financial Corp., Montgomery, AL, made further remarks.*]

The President. Well, you know investments. I mean, people—one of the—you hear people say, "Well, you know, investing in conservative stocks and bonds is risky." That's kind of an oxymoron isn't it?

Mr. Wood. If this had been going on during the Depression, you would still be way ahead of the game.

The President. You hear that? If you hold stocks and bonds for a long period of time, even if you go into the depression, the rate of return over a period of time is pretty good, wasn't it?

Mr. Wood. Mr. President, I admire you for your courage and foresight in taking this problem on now.

The President. Well, thank you. [*Applause*] Thank you.

Mr. Wood. I feel that you could very easily have swept this under the rug and say, "I have only 4 years to go. I'll let

some future President and Congress then tackle the problem."

The President. Well, thank you. I wouldn't have been able to live with myself.

Mr. Wood. Well, I think this shows something of your wisdom, your courage, and foresight in meeting this problem head-on, and thank God for you.

The President. Well, thank you, George. Thanks for saying that. Good job.

George Wood Moody. You ever heard of him?

Mr. Wood. He is one of my grandchildren, and he's made me promise that I would behave myself today. [*Laughter*] And so far, Mr. President——

The President. You're doing a good job. [*Laughter*]

Mr. Wood. Have I not behaved myself?

The President. Very well. I'm a little disappointed, frankly. But anyway—[*laughter*].

All right. George Moody, age 22, sitting on the stage with his grandfather and the President of the United States in front of a couple of thousand people. How about it? [*Laughter*] Life doesn't get any better than that, does it?

George W. Moody. I wasn't nervous until you said that, Mr. President. [*Laughter*] Like you said, I'm 22, and I'm about to enter the workforce.

The President. Going to school?

Mr. Moody. Go to Auburn.

The President. Yes, good.

Mr. Moody. War Eagle.

[*Mr. Moody made further remarks.*]

The President. Let me ask you something. Anybody like your age even worry about it?

Mr. Moody. Well, of course they are. It's not something that's on the forefront right now, but they know that something has to be done in the near future.

The President. Yes, somebody told me one time the younger Americans—they took a poll of them and said some of them feel like they're more likely to see a UFO than they are a Social Security check. [*Laughter*] That's an interesting dynamic—seriously. That's why this is an issue you can talk about. I campaigned on it 2000 and 2004 because I fully understood that the dynamic has shifted. Once we can assure George that he's going to get his check, we need to be talking to George Moody and the 22-year-olders, because they're not going to, unless we do something.

And that's why this issue—it doesn't take any courage. It just took the realization that there's going to be a lot of people sitting out there wondering, "Why did we get elected in the first place if we weren't willing to go to Washington, DC, and try to bring people together to solve the problem?"

Are you worried about investing anything?

Mr. Moody. Well, in the current system, I think you earn about a 2-percent return on what you put in. And being a finance major, I know that that's—that's diddly-pooh. That's really—[*laughter*].

The President. It's a financial term. [*Laughter*]

Mr. Moody. Under your personal accounts, you can earn about a 2- or 3-percent premium on what you put into the system.

The President. On top of that.

Mr. Moody. And that's going to compound every year. And just—we're going to have that much more money when we retire.

The President. And that matters. It matters a lot. If you're a 22-year-old person who can save, the difference between 5 percent or 4 percent and 2 percent is a huge amount of money over time, depending upon how much you initially start to save with. And that's an important concept for people to get.

There's a lot of—I've talked to a lot of younger Americans who talk about looking forward to managing their own money. Again, when we were coming up, I don't remember that. I don't remember spending

a lot of time worrying either about solvency in Social Security or managing my own money through the Social Security system. But things have changed. There's a confidence level now amongst people throughout our society about wanting to watch their money grow through an interesting mix of stocks and bonds.

So I appreciate you boys being here, two George W.'s. You did an excellent job of behaving yourself. Good job.

Ready? Sarah Garrison Webster, tell us what you do.

Sarah Garrison Webster. Hello, Mr. President.

The President. Hi. [*Laughter*]

Ms. Webster. On behalf of all Montgomery Alabamians, we would like to extend our heartfelt welcome. And thank you for allowing us to be part of this townhall meeting.

The President. Well, thank you for coming. You are an entrepreneur.

Ms. Webster. That is correct. Mr. President, I am 57 years old. I'm retired Department of Justice. I'm married. I have two sons, one 40, one 39. Both of my sons have indicated to me that they love your plan.

The President. Raised some smart boys That's good.

[*Ms. Webster, owner, Webster Progressive Funeral Home, Shorter, AL, made further remarks.*]

The President. Let me ask you something about the Thrift Savings Plan. This is a Thrift Savings Plan that has a mix of stocks and bonds?

Ms. Webster. Yes, sir.

The President. Now, how hard was that to learn how to do that?

Ms. Webster. And I chose the safe plan, Government bonds. [*Laughter*]

The President. That's all right. Well, not so safe, unless we fix the deficit. But other than that—[*laughter*]. We're fixing the deficit.

Ms. Webster. But Mr. President, I'm the owner of Webster Progressive Funeral Home.

The President. Small-business owner, nothing better. I hate to—I'm not going to ask you how business is. [*Laughter*]

Ms. Webster. Oftentimes, I see people die, and their family members are not eligible for Social Security benefits, at least some of these people. Had they participated in your plan, or if we had your plan, the moneys that they would have paid into the savings plan would have been passed on to their heirs. And Mr. President, your plan makes sense to me. Why on Earth would we allow someone else to have control of our moneys? That is money that those people work very hard for. That is money that family people deserve. The family deserves that money. Your plan is extremely bold and progressive, Mr. President. We thank you for having the courage to be able to champion this cause.

The President. Thank you. Very good. Thank you, Sarah. Good job.

Sarah is right. Sarah is right about the system. Think about this. You're married; you're doing well. The spouse is putting money into the system, dies earlier than expected, and the other spouse doesn't have anything. The money went into the system, and until you reach a certain age, there are no survivor benefits. It just, poof, goes away. And the idea of having an asset base that you can pass on to help a younger husband or a surviving wife makes a lot of sense. It helps peace of mind. And I want to appreciate you bringing that up. Thank you very much for—pretty darn articulate.

Ms. Webster. Thank you, Mr. President.

The President. I could use a few lessons. Good job.

All right. Don Farnsworth and his granddaughter, Beth. Got it right, didn't I? Thanks for coming. I hope you find it interesting, grandparents and grandkids. The reason why we've asked them to come, this

is a generational issue; it truly is. The system worked for the grandparents. The question is, will we be able to get something in place, modernize the system—not tear it apart, not destroy it—modernize it and reform it so it works for the grandkids.

And so, Don, thanks for coming.

Don Farnsworth. Pleasure to be here.

The President. You might want to use the mic. [*Laughter*]

Mr. Farnsworth. Pleasure to be here.

The President. I'm glad you're here. You were a pilot?

Mr. Farnsworth. Yes, sir.

The President. Don't tell them who you flew for.

Mr. Farnsworth. I dare not.

The President. No. Want me to?

Mr. Farnsworth. Go ahead.

The President. The University of Alabama.

[*Mr. Farnsworth, retired senior citizen, Northport, AL, made further remarks.*]

The President. Well, thanks for coming, Don. Well done. No question in your mind you're going to get your check.

Mr. Farnsworth. No, I get my check every month.

The President. That's good. Well, that's what we're supposed to do.

Beth is with us. She is a senior here, and she's majoring in journalism with a minor in Spanish. *Como esta?*

Beth Farnsworth. Bien. Muy bien. [*Laughter*]

The President. Very good. A-plus. Talk to us about Social Security.

[*Ms. Farnsworth made further remarks.*]

The President. See, it's—again, I want to hearken back to the ownership theme. I actually put it in my Inaugural Address, because I believe it's such an important part of our country. The more people own something, the more people are going to have a vital stake in the future of the country. It makes sense, doesn't it? The more people have a piece of property they call their own, the more they're going to say, "Gosh, makes a lot of sense." The more people watch their assets grow, they're going to be saying, "I better pay attention to fiscal policy in Washington, DC." There's nothing that causes more participation in Government than if your wealth is directly associated with the decisions of Government. The more people own something, the more it is they'll have stability in their lives.

And so what we're talking about is a way to make sure the Social Security system, which has worked and worked very well for a lot of people, will continue to work. It's going to be an interesting debate in Washington, DC, but it's a debate that the people will affect. This is one of those debates where if I do my job and get people to focus on it and talk about it and go to the coffee shops and try to figure out what they're all saying up there, people are going to say—they're going to come to the realization, we have a problem.

And when that happens, the people of this country are going to start calling up the Congress men and women and saying, "We have got a problem. Why are you waiting? We have got a problem, and we expect you in good faith to work with the White House to come up with a solution so we can say to our grandchildren, 'This system, the safety net will be there for you.'" The safety net has been great for a lot of folks, but it's got a hole in it. And now is the time for people who've run for office to serve our country to come together and fix that hole for generations to come.

I want to thank you for giving me a chance to be here. God bless you all.

NOTE: The President spoke at 3:35 p.m. at Auburn University. In his remarks, he referred to Guin Nance, chancellor, Auburn University Montgomery; former Mayor Emory McCord Folmar of Montgomery, AL; Gov. Bob Riley of Alabama and his wife, Patsy; Beth Rogers, wife of Representative Mike Rogers; and President Mahmoud

Abbas (Abu Mazen) of the Palestinian Authority.

Statement on Senate Passage of Bankruptcy Reform Legislation
March 10, 2005

I applaud the strong bipartisan vote in the Senate to curb abuses of the bankruptcy system. By reforming the system with this commonsense approach, more Americans—especially lower income Americans—will have greater access to credit. I urge the House to act quickly on bankruptcy legislation.

Message to the Congress on Continuation of the National Emergency With Respect to Iran
March 10, 2005

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. Consistent with this provision, I have sent the enclosed notice stating that the Iran emergency declared on March 15, 1995, is to continue in effect beyond March 15, 2005, to the *Federal Register* for publication. The most recent notice continuing this emergency was published in the *Federal Register* on March 12, 2004 (69 *FR* 12051).

The crisis between the United States and Iran constituted by the actions and policies of the Government of Iran, including its support for international terrorism, efforts to undermine Middle East peace, and acquisition of weapons of mass destruction and the means to deliver them, that led to the declaration of a national emergency on March 15, 1995, has not been resolved. These actions and policies are contrary to the interests of the United States in the region and pose a continuing unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency declared with respect to Iran and maintain in force comprehensive sanctions against Iran to respond to this threat.

GEORGE W. BUSH

The White House,
March 10, 2005.

NOTE: The notice is listed in Appendix D at the end of this volume.

Remarks in a Discussion on Strengthening Social Security in Memphis, Tennessee
March 11, 2005

The President. Gosh, thanks for the warm welcome. It's great to be here in Memphis, Tennessee. What a fabulous city you've got. One of our panelists here was saying that he got up at 4:30 a.m. this morning, trying to prepare some remarks for today, some interesting thoughts about Social Security. And I said, "I'm glad it wasn't you I heard at 4:30." Evidently there's a basketball tournament here? [*Laughter*] Some of the victorious fans were pleased with the results yesterday.

But I'm honored to be here. Memphis is a fabulous place. I wish Laura were with me today. She's doing great, by the way. She's obviously a patient woman to be married to me. [*Laughter*] She's a wonderful mom, a fantastic wife, and she's doing a whale of a job as our country's First Lady, and I'm really proud of her.

We're here to talk about Social Security. And I've got some other things on my mind I want to share with you. But before we talk about anything, I do want to thank Congressman Harold Ford for being here. I'm honored you're here, Congressman. I appreciate your service to this great city. Just about every time I see him, he says to me, "You need to get over to Memphis. We've got a great town full of fantastic people." Congressman, I'm honored you're here.

Mayor A.C. Wharton, thank you for being here. I appreciate you coming. Thank you, sir. Got a lot of friends—I see the sheriff; he's here. It's always important to say hello to the high sheriff.

Bishop G.E. Patterson is here. I'm honored you're here, Bishop Patterson. Thank you for coming. I want to thank a lot of the other friends of mine in the clergy who are here. You know, when we talk about the role of religion in society, it's always important to emphasize that one of the things that makes us great is that we separate the church and the state, that you're equally American if you choose to worship or not worship. You're equally American if you're a Christian, Jew, Muslim, or Sikh, whatever you choose to do.

But one of the things I think is important is to include faith-based programs in the healing of hearts so that America can be a hopeful place. I do not fear the influence of faith in our society. I welcome faith.

And over the next 4 years, we'll continue to work with the generals and colonels and sergeants and privates in the army of compassion to help change our country one heart and one soul at a time. If you want to serve America, feed the hungry, find shelter for the homeless. If you want to do something patriotic, mentor a child and teach him or her how to read. If you want to make America a better place, put your arm around somebody hurt—who hurts and says, "I love you, brother," or, "I love you, sister, and I'm here to help you." No, America's great strength is the hearts and soul of our citizens. And we must continue to rally that great strength to make America a better place.

I do want to talk a little bit about foreign policy. For the youngsters here, I hope you pay attention to what you're seeing. What you're seeing is an amazing moment in the history of freedom. Because we acted to defend ourselves, we liberated Afghanistan from the Taliban. And millions of people voted in a Presidential election.

I met with one of the ministers, a female minister from Afghanistan the other day. She came into the Oval Office. She said she was looking forward to this moment to see me and Laura so that she could share with me her great gratitude about the fact that she could live in a free society.

And I said to her, "I'm going to be traveling the country, and I'm going to share your thanks with the American people." So on behalf of this minister, this woman serving in the Cabinet, this person who loves freedom, this person who has a chance to realize her dreams, she says thanks—thanks to the millions who now live in a free society.

I believe there will be a Palestinian democracy living side by side with Israel in peace. I believe that the actions taken by millions of Iraqi citizens in the face of incredible terrorist threats sent a clear signal to people around the world, that freedom is a beautiful thing. The reason I bring this up is I want everybody to understand that we'll defend our security. We'll utilize our great military and our intelligence gathering capabilities to defend our country. We're united in the United States—with the United States Congress in this objective. All of us in Washington understand that we have a solemn duty to protect our country. But in the long run, the way to defeat the ideologues of hate is to spread freedom and democracy. Freedom is moving around the world. Deep in everybody's soul is the great desire to live in freedom, and the United States of America, working with friends and allies, must use our influence to continue the march of freedom for the sake of peace for generations to come.

Some good news in the economy last week—we added 262,000 new jobs last month. There are more people working in America than ever before in our Nation's history.

But there's more work to do. I gave a speech in Columbus, Ohio, on Wednesday. I said, you know, I reminded the folks that when I first got into office, I sent an energy plan to the United States Congress. I was concerned then, like I am concerned now, about high gasoline prices, about our dependency upon foreign sources of energy. Congress has been debating this issue now for 4 years. It's time to stop the rhetoric and stop the debate and get an energy plan to my desk that will encourage conservation, that will encourage renewable sources of energy, that will modernize the electricity grid, that will allow us to explore for oil and gas in environmentally friendly ways in the United States, that will make us less dependent on foreign sources of energy.

But the main reason I've asked you to come and asked our panelists to appear with me is because I want to talk about Social Security. First of all, let me tell you, I understand that for years, Social Security was the third rail of American politics. That meant if you grabbed ahold of it, you weren't going to do well politically. In other words, if you talked about it, people would then say, "Well, really, what he's going to do, he's going to take away the checks of our seniors." But you'll hear me describe the fact that I believe the system needs to be reformed, and I'll tell you why. And I believe political people, when they see a problem, have a duty to address that problem and not to pass that problem on to future Presidents and future Congress. I ran for office to solve problems.

Some in Congress say, "I wish you hadn't have brought up the issue. It may cause us to make a tough vote." Others in Congress have said, "Well, we really don't have any problem." That's how democracy works. There is difference of opinion. And I've got mine, and I'm going to continue traveling our country until it becomes abundantly clear to the American people we have a problem, and it's abundantly clear to those who will receive Social Security checks that nothing is going to change.

So I want to start by saying to the seniors here in Tennessee and folks listening on your television set that for you—for those of you receiving a check today and for those of you, like me, near retirement, nothing is going to change for you. You will get your check. I don't care what the TV ads say. I don't care what the propagandists say. You're going to get your check.

It's important for people to understand that, because I fully understand, a lot of people depend solely on their Social Security check for retirement. I know that. When I was the Governor of Texas, I knew that. And I know that as the President of the United States. A lot of people are depending upon the check, and the Social Security system is working for them. There is a safety net. The problem is the safety net has got a hole in it for younger Americans. The safety net is secure for older Americans. Franklin Roosevelt did a good thing when he set up Social Security. It has worked. And so the discussion today is not to get rid of Social Security. The discussion today is to build on what Franklin Roosevelt put in place, to understand that things have changed since his Presidency.

You see, Social Security worked for years because there were a lot of workers putting money into the system through their payroll taxes to pay for a limited number of beneficiaries. Matter of fact, in 1950, there were 16 workers per beneficiary. And the system works when it's that way. For example, you'll see that chart, for somebody who is making $14,200 in benefits on an annual basis, that means the worker would pay $900 to help that one person. Today, there is only 3.3 workers putting into the system. In other words, we got fewer workers paying per beneficiary. That obviously means costs are going up, and, particularly given this fact, baby boomers like me are getting ready to retire. Mine happens to be—my retirement age comes up in 2008, which is quite convenient. [*Laughter*]

I'll be 62 years old in 2008. And there's a lot like me, and there's more coming. And we're living longer than people during Franklin Roosevelt's time and during the fifties. And we've been promised greater benefits than the previous generations. So think about this: Fewer workers paying into the system—3.3 per beneficiary now, soon to be 2 workers per beneficiary—paying for a lot of baby boomers, like me, who have been promised greater benefits and we're living longer. And that's the math.

That's why I say there's a hole in the safety net. And that hole exists for the people coming up, because that system can't sustain itself. It you look at this chart over here, you'll see that in 2018, more money is coming—going out of the system than coming in. More money in 2020, 2029, $200 billion a year will be going out of the system than coming in. More money in '37 will be coming out of the system, coming every year—it gets worse and worse and worse because there are baby boomers like me, more of us than ever before, drawing benefit—larger benefits and living longer.

So we have a problem for a younger generation. Imagine somebody who's looking at this chart. They're going to say, "What are you going to do about it, Mr. President? What are you going to do about it?" And so I stood up in front of the Congress and said, "We have a problem." And I think I was the first President ever to say, "All options are on the table." I said, "There's been some interesting ideas." Congressman Tim Penny, when he was a Democrat Congressman from Minnesota, put some interesting ideas on the table. President Clinton, my predecessor, put some interesting ideas on the table. Democrat Senator Daniel Patrick Moynihan from New York put some interesting ideas on the table.

I have an obligation to say to people from both parties, let's fix this permanently. Let's don't slap a bandaid on the problem. Let us fix it permanently, and all ideas, bring them forward, and I'm interested in listening. There will be no political retribution when you put an idea on the table. As a matter of fact, you will get kudos. In Washington, DC, there's still partisan talk. There is still people saying, "Well, I'm not so sure I want to get involved." My call to people from both political parties is, now is the time to put aside our political

differences and focus on solving this problem for generations of Americans to come.

I do want to talk about an interesting idea that I have discussed with others. Now, I have an obligation to participate in the dialog. I don't get to write the legislation, by the way. Members of the Senate and the House will write the legislation. But I have an—I've got some ideas that I'd like for people to consider, and one of them is to allow younger workers to take some of their own money and set it aside in a personal retirement account, a savings account.

And let me tell you why I like the idea. Here's why I like the idea. First of all, we'll discuss—and Congressman Penny will discuss this—about the notion of compounding rate of interest. That means if you're able to get a reasonable rate of return on your money, then over time, it grows exponentially. In other words, if you're able to set aside some of your own money in a conservative mix of stocks and bonds, you'll get a better rate of return on that money than you would on the rate of return that the Government gets for you. And it's that difference that, over time, compounds.

So take, for example, a person making $35,000 a year over his or her lifetime, and if he or she were allowed to set aside 4 percent of the payroll tax in a personal savings account, by the time he or she retired, there will be $250,000 as a part of the retirement system. That's what compounding rate of interest does.

People say, "Well, I'm not so sure I know how to invest." You know, there's kind of this notion that there is an investor class in America. That sounds a little limited to me, that only a certain number—certain type of person can invest. I don't subscribe to that notion. I believe everybody has got—should have the opportunity to invest, and I believe everybody can invest.

Now, when you say "personal account," you can't take the money and put it in the lottery. [*Laughter*] You've got a lottery in Tennessee? Right down the road. Well, you can't do that. Matter of fact, there would be a prescribed set of types of stocks and bonds. Obviously, we're not going to let people take their money and gamble it out. And we've done this before. See, this isn't new ground. After all, a lot of people invest their own money in 401(k)s. There's an investor class growing way beyond the concepts of the investor class. In other words, defined contributions plans are spreading out all over America. People are used to this concept. Federal employees get to do this through the Federal employee Thrift Savings Plan. In other words, the Federal Government has said to employees, "Hey, you get to invest some of your own money, if you choose, in a conservative mix of stocks and bonds."

So this concept has been around. We're not—this is an interesting—this isn't something brand new. This is an idea that ought to happen for Social Security, as well as other retirement—as it happened in other retirement funds.

Thirdly, we want people owning something. I love the fact that more people now own their home than ever before in our Nation's history. I like the fact when—there's more entrepreneurs from all walks of life, people saying, "I own my own business." That's the important part. How about letting people own a stake of the future of the country by having ownership in their own retirement plan? And that's what we're talking about, ownership.

Finally, I like the idea of being—somebody being able to accumulate assets and pass it on to their heirs. Provides for stability in society. Now, ownership ought not to be limited. It ought to be spread around in our society.

And finally, there's a macroeconomic benefit when more people save, like they would be doing through their personal accounts. It provides more capital for investment. And capital is necessary for the expansion of small business. Capital helps fuel

the entrepreneurial spirit of America. The more savings, the more capital, the more jobs.

So this is an idea that I want Congress to take a look at, in the spirit of all ideas ought to be put on the table. I'm looking forward to the discussions with members of both political parties. I've got a lot of work to do in the meantime. I'm going to Louisiana after this. Next week, I'll be traveling down to Florida, checking on the brother. [*Laughter*] And then I'm going to be going out—then I'll be going out west. And I'm going to campaign for Social Security, because I told you earlier, we have a duty in Congress to do something about this before it becomes too late, before we saddle an entire generation with a problem we cannot solve.

Ready to go? I want to thank Tim Penny for being here. Elected to the United States Congress from Minnesota. Knows the subject really well. Congressman, thanks for coming. I'm proud you're here. Thanks for joining us.

Representative Timothy J. Penny. You bet. You bet. Mr. President, thank you, first, for putting this issue on top of the agenda because it is an urgent issue, and it's one that needs to be addressed sooner than later. Doing nothing is not an option.

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

The President. I want to thank Congressman Penny for sharing with us. As I mentioned, he was—he is a Democrat. But this is the spirit, of Republicans and Democrats coming together to solve this problem, that is needed. Nothing is going to happen unless people from both political parties make the decision to join together and come up with a serious solution. And I want people to understand that.

And I really want to thank Tim. He's been very active in this issue for a long period of time. Occasionally he's able to make time to join the Presidential road show to take this issue to the people, and he adds a lot of class to the road show, I want you to know. [*Laughter*] He's going down to Louisiana with me a little later on today. So thanks for being here, Tim.

We're going to start with Mary Hines from—where you live, Mary?

Mary Hines. I live in Hickory Withe, Tennessee.

The President. Hickory Withe, that's interesting.

Ms. Hines. A very small community—we're unincorporated. [*Applause*]

The President. Sounds like half the town came. [*Laughter*] How many people live there?

Ms. Hines. About two or three thousand.

The President. Yes, that's good, yes. Four times bigger than Crawford. [*Laughter*] Thanks for joining us.

Ms. Hines. Thank you. I'm glad to be here.

The President. Are you receiving any Social Security?

Ms. Hines. Yes, I am. I've worked for 40 years as a secretary. My husband worked 40 years for DuPont, and we're both drawing Social Security.

The President. And is it important to you?

Ms. Hines. It is very important. It is part of our retirement plan.

The President. Good. Are you worried about the reforms taking it away from you?

Ms. Hines. No, in fact, we—as we understand it, this is—the reforms will not affect us. However, my children—like you—are in the baby boomer era when they retire. So this will affect them somewhat. But basically, it will affect my grandchildren and my great grandchildren. So it's some——

The President. No, I appreciate—sorry to interrupt. Now that I have, I better say something. [*Laughter*] She has a vital point. There are a lot of grandmothers who are justifiably concerned about what Social Security means to their grandchildren. This is a generation where Social Security has

worked. She and her husband are getting help from the Social Security system. After all, it's their money coming back to them.

And I can't tell you how many times I've heard from people once we have assured citizens that nothing changes for them, that, "What are you going to do about my grandchildren?" This is a generational issue. It is an issue that is very important for Members of Congress to understand that a lot of grandparents care deeply about not only their own security, but once they're—once they're assured, they care deeply about the security of their grandchildren. And I want to thank you for sharing that with us.

Anything else you want to——

Ms. Hines. Well, I look at your chart over here, and I would like to thank those workers who are helping pay my Social Security right now.

The President. That's right. [*Laughter*] That would be me and a lot of other people. Good news is, they're going to keep paying, and you'll keep getting your check.

Beverly Peterson is with us. She's got a very interesting story. Ready to go? You look like you're ready to go. [*Laughter*]

[*Beverly Peterson, administrative assistant, St. Mary's Episcopal School, Memphis, TN, made brief remarks.*]

The President. Yes, let me—thank you for sharing that with us. What Beverly is saying is, is that she was too young for the survivor benefits, and therefore the money that he put into the system—"he" being the husband—there was nothing there. And because she has contributed to the Social Security system, when she retires, you'll get the benefits because of your check, because of your contributions, not because of your husband's contributions.

Personal accounts—think about what personal accounts would have done for Beverly. The husband works, puts money aside since 16 years old. What age was he when he passed away?

Ms. Peterson. Forty-nine.

The President. Forty-nine years old, so that's 33 years of compounding rate of interest, 33 years of that money set aside would grow. And when he passed away, there is an asset base for Beverly that she gets, and she can live on it. It'll help her transition to her days of retirement. In other words, that's one of the benefits of being able to accumulate your own assets that, as Tim said, you call your own. And when it's your own asset, you can pass it on to whomever you choose.

The system is an important system today, but it has got holes in the safety net. And one of the holes in the safety net is, a widow like Beverly did not have any assets when her husband passed away.

Thank you for sharing that story with us. Good job.

Pastor Andrew Jackson. Welcome, Pastor Jackson.

Andrew Jackson. Thank you, Mr. President. I'm delighted to be here. Thanks for the invitation.

The President. Well, we're glad you're here. You pastor what church, sir?

Pastor Jackson. Faith Temple Ministries, Church of God and Christ.

The President. Great.

Pastor Jackson. My bishop is Bishop G.E. Patterson and——

The President. Bishop Patterson, a fine man.

Pastor Jackson. Bishop Jerry Maynard is my——

The President. Good. How's the congregation doing?

Pastor Jackson. It's doing quite well. It's kind of like the city bus; we have some getting on and some getting off. [*Laughter*]

The President. The difference in your case is, the fare is free. [*Laughter*]

Pastor Jackson. Yes, that's true.

The President. Tell me why you're here. Thanks for coming. I'm honored. I want to hear your views on Social Security.

[*Pastor Jackson made further remarks.*]

The President. That's called political propaganda.

Pastor Jackson. Oh, political—okay, political propaganda.

The President. That's what they said when I ran for President in 2000. I actually brought the issue up. They said, "If he gets elected, he's going to take away your check." It didn't happen. Everybody got their checks. That's why propaganda—that's empty. That means——

Pastor Jackson. It's empty.

The President. Yes, there's no truth to it. Go ahead.

[*Pastor Jackson made further remarks.*]

The President. See, here's what I like. I like the idea that the pastor is thinking about generations to come. And he said, "I'm worried about my grandchildren, my great-grandchildren, and I hope there's a system that develops that encourages asset accumulation so generation-to-generation assets can be passed on." That hasn't happened for many in our history. No, that hasn't been the case throughout the history of the United States. We haven't encouraged asset formulation. There hasn't been wealth passed from one generation to the next in certain parts of our society.

That's just the truth. And it seems like to me that it makes sense for us to come together and encourage a plan that does just that, that provides continuity from one generation to the next when it comes to assets. We want people owning something. I don't care where they're from, what political party they associate with, what neighborhood they live in. The more people own something, the better off America is, and the ability to pass assets from one generation to the next is an important part of our legacy.

Let me tell you one other thing, and then we've got two other panelists here. This system—and I want to work with members of both parties to make sure this system takes care of our poorer workers. In other words, we can design the benefit structure for that which exists in a way that recognizes some people work all their life and will have to live below the poverty level upon retirement. And we don't want that in America. There are ways to make sure this system provides a solid safety net.

Tim understands that. Harold understands that. All of us can work on this system. So I want to assure you, Pastor, that not only will the system encourage asset accumulation, but we want to make sure that whatever Social Security system exists, that when we permanently fix it, that people are given a true safety net, that the hole is fixed in the safety net, and that there is a safety net for retirees.

Harry Summer. Harry, thanks for coming.

Harry Summer. Thank you, Mr. President.

The President. I understand you were a professor at one time.

Mr. Summer. Yes, sir, I was a professor of marketing for 35 years at the University of Memphis.

The President. Oh, fantastic. Well, you're watching me market. That's what I'm doing right now. [*Laughter*]

Mr. Summer. Well, I have a few students in the audience, as well, I'm sure. But it occurred to me—I'm worried about this young lady here, not myself.

[*Mr. Summer, retired senior citizen, Memphis, TN, made further remarks, concluding as follows.*]

Mr. Summer. This morning about 4:15 a.m., I woke up. I had—talked about compound interest. And you can talk about it, but I decided I would give a concrete example, so I went to my computer and worked on it for about 30 minutes—longer, I think, than that. But anyway——

The President. See, I accused him of being one of the revelers outside my hotel room. [*Laughter*] He assured me he was on his computer. [*Laughter*]

Mr. Summer. Well, it's a lot easer to do it on the computer than it is to do it by hand.

The President. That's right.

[*Mr. Summer made further remarks.*]

The President. Yes, see what—and that's four times the amount. In other words——

Mr. Summer. That's four times.

The President. ——the increase was four times the amount of what the investment was because of the growth. Your money grows. And again, I repeat, people are going to say, "Well, they're going to let them put it into risky adventures. It's risky to invest money." No, it's not. It's a much better rate of return than the Social Security trust today. And that's—what's risky is to leave your money in there and do nothing. That's what's risky, particularly for younger Americans.

Mr. Summer. Yes.

The President. Karen Siegfried. Thank you very much. Karen, here you are, got a bunch of older folks here on the stage.

Karen Siegfried. That's okay.

The President. It's good. Give us your story.

Ms. Siegfried. Well, the reason he's so concerned about me is because he's my grandfather, so that—he's got a little vested interest.

[*Karen Siegfried, athletic trainer, Campbell Clinic, Memphis, TN, made further remarks.*]

The President. You know, somebody told me one time—they took a poll amongst 20-year-olders, and 20-year-old people said they thought it was more likely they'd see a UFO than get a Social Security check. [*Laughter*] Interesting dynamic, isn't it? A lot of people say 20-year-olders don't care about the issues. And part of my job is to make sure that they understand the facts, because once people realize—once the seniors realize nothing is going to change, once Congress realizes there are a lot of grandfathers wondering about their granddaughters and their future, once 20-year-olders and 30-year-olders start to say, "Wait a minute. Now this is a problem, what are you going to do about it?" Those are the dynamics to get something done.

I presume you expect Congress to get something done now, before it's too late.

Ms. Siegfried. Yes, I do.

The President. Well, listen, I want to thank our panelists for coming. I thought this was an interesting dialog. Good job. I want to thank you all for giving us a chance to come report about this important issue. I'm looking forward to working with Congress. I expect there to be a civil dialog and honest debate. All ideas should be on the table. The American people are going to influence the outcome of this debate.

I want to thank the good people of Memphis for letting me come by and visit with you about it. I want to assure you, I will continue traveling our country asking people to be involved, getting people to write their Congressmen and Senators to say, "Get rid of the partisanship, sit down at the table, and modernize this system for generations to come."

God bless, and thanks for coming.

NOTE: The President spoke at 10:21 a.m. at the Canon Center for the Performing Arts. In his remarks, he referred to Mayor A.C. Wharton and Sheriff Mark H. Luttrell of Shelby County, TN; Bishop Gilbert Earl Patterson, International Presiding Bishop, Church of God in Christ, Inc.; Minister of Women's Affairs Massouda Jalal of Afghanistan; and Gov. Jeb Bush of Florida. Discussion participant Pastor Andrew Jackson referred to Bishop Jerry L. Maynard, Fourth Ecclesiastical Jurisdiction in Tennessee, Church of God in Christ.

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 in a personal savings account, that by the time you retire, 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 businessowners. 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.

Gwendolyn 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." I campaigned on this issue in 2000 and 2004. In 2000, they said, "If George W. gets elected, you're not going to get your 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 debate. That's the issue.

Good job. You ready? Ms. Helen Lyons, sitting right here next to the President of the United States.

Helen Lyons. Thank you, Mr. President.

The President. Welcome.

Ms. Lyons. Thank you. This is a great honor. These moments will never be forgotten, nor will time erase.

My name is Helen Lyons. I am 78 years old, a widow. We were blessed, my husband and I, with three sons. They were educated in Oakland, California, and all three of them are ministers. This is my oldest son, Bishop Brandon.

The President. Are you still listening to your mother?

Larry Brandon. Yes, indeed. I better.

The President. Me too. [*Laughter*]

Ms. Lyons. I was born in Texas.

The President. There you go.

[*Ms. Lyons, retiree, Shreveport, LA, made further remarks.*]

Ms. Lyons. I am living with my son and wife and their two children. And I have two grandchildren here today.

The President. That's great. You know, let me stop you right there. A responsible society is one in which people take, first and foremost, responsibility for their family, and I want to thank you for taking responsibility for your mom after she took responsibility for you all these years.

Ms. Lyons. Thank you. Thank you. Mr. President, you've already answered my Social Security question that I had for you.

The President. Bring it up again. I can't answer it enough. [*Laughter*]

Ms. Lyons. All right. Will our benefits, as senior citizens, be affected?

The President. She asked a question a lot of people are asking, and I know that. I know a lot of people are asking whether or not they're going to get their check. And we're sitting behind stage, and Helen Lyons looks at me, and she's kind of wondering, "What is this guy all about? I've agreed to get on the stage with him, but

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. [*Laughter*]

The President. That's good.

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

The President. That's good. Very well done. Bishop.

[*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 whomever 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 bandaids, 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.

The President's Radio Address
March 12, 2005

Good morning. Over the last few weeks, I have traveled across our Nation and met with tens of thousands of you to discuss my plans for strengthening Social Security. I share a great responsibility with your Representatives in Congress. We must fix the system permanently so it will be there for our children and grandchildren.

I have been to 15 States, and I'm just getting started. On every visit, I am assuring those of you born before 1950 that Social Security will remain the same for you: No changes. No matter what the scare ads or politicians might tell you, you will get your checks. You grandparents also understand we have got to fix the holes in this vital safety net for future generations. I appreciate the wisdom of our seniors, and I welcome your input on how to strengthen the system.

You younger workers know what is happening to Social Security. The present pay-as-you-go system is going broke. Huge numbers of baby boomers, like me, will be retiring soon, and we are living longer, and our benefits are rising. At the same time, fewer workers will be paying into the system to support a growing number of retirees. Therefore, the Government is making promises it cannot keep.

Still, some folks are playing down the problem and say we can fix it later. The fact is, we have got a serious problem, and we need to fix it now. If you are in your twenties or if you have children or grandchildren in their twenties, the idea of Social Security collapsing is no small matter, and it should not be a small matter to the Congress.

In 1983, Congress enacted what they thought was a 75-year fix to save Social Security from bankruptcy. This bipartisan solution turned out to be temporary because it did not address the system's fundamental flaws. Two years later, Social Security was headed out of balance again. Now some in Washington are talking about another 75-year fix, which means we will be back to the starting line a few years from now. We do not need a bandaid solution for Social Security. We want to solve this issue now and forever.

Putting off real reform makes fixing the system harder and more expensive. As one Democrat leader observed recently, "Every year we delay adds at least $600 billion to the cost of saving the system." And the Social Security trustees agree. Postponing reform will leave our children with drastic and unpleasant choices, huge tax increases that will kill jobs, massive new borrowing, or sudden, painful cuts in Social Security benefits or other programs. Our children deserve better, and we can give them better. I have told Congress all ideas are on the table, except raising the payroll tax rate. Some of the options available include indexing benefits to prices rather than wages, changing the benefit formulas, raising the retirement age—ideas Democrats and Republicans have talked about before.

Whatever changes we make, we must provide a better and stronger system for younger workers. And that is why I have proposed allowing younger Americans to place some of your payroll taxes in voluntary personal retirement accounts. You would have a choice of conservative bond and stock funds, with the opportunity to earn a higher rate of return than is possible under the current system. If you earn an average of $35,000 over your career, you can build up nearly a quarter-million dollars in your account on top of your Social Security check. This would be real savings you own, a nest egg you could pass on to your children.

The American people did not place us in office to pass on problems to future generations and future Presidents and future

Congresses. I will work with both parties to fix Social Security permanently. Social Security has been there for generations of Americans, and together we will strengthen it for generations to come.

Thank you for listening.

NOTE: The address was recorded at 9 a.m. on March 11 at the Peabody Memphis hotel in Memphis, TN, for broadcast at 10:06 a.m. on March 12. The transcript was made available by the Office of the Press Secretary on March 11 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks on Presenting the National Medals of Science and Technology
March 14, 2005

Thank you all. Please be seated. Welcome to the White House. It's an honor to be in the company of so many bright and distinguished Americans. All of you have been blessed with great talent, and you have applied your talent to great purposes. Your work is making our country more competitive, more hopeful, and more prosperous. On behalf of a grateful nation, congratulations for earning the National Medals of Science and Technology.

I want to welcome your families and friends who are here with you. I know your family members are equally proud of your accomplishment. I appreciate Secretary of Commerce Carlos Gutierrez joining us; Dr. Jack Marburger, Director of the Office of Science and Technology Policy; Phil Bond; Arden Bement; members of the National Science Foundation; members of the board of the National Science and Technology Medals Foundation—they'd be the reason you're here—[*laughter*]—previous recipients of the National Medals of Science and Technology.

I want to thank the Members of Congress who have joined us: Senator Barbara Mikulski of Maryland is with us; Congressman Roscoe Bartlett of Maryland; Congresswoman Lynn Woolsey of California, who is coming; Judy Biggert, Congresswoman from Illinois; Congressman Rick Larsen of Washington; and Congresswoman Katherine Harris of Florida.

Over the years, the East Room has hosted some of the White House's most memorable events. Long before any President held an awards ceremony here, it was the home to Thomas Jefferson's secretary, Meriwether Lewis, not a bad place for a guy to camp out. [*Laughter*] He didn't stay here long, because in 1803, President Jefferson gave him a new assignment, a daring mission to explore the West. The President also gave him a letter of unlimited Government credit to cover every possible expense. Disappointed to say, your medal doesn't come with such Presidential decree. [*Laughter*]

Over the centuries, the same passion for discovery that drove Lewis and Clark to the Pacific has also led bold Americans to master the miracle of flight, to conquer dreaded diseases, and explore the frontiers of space. To reward and encourage America's spirit of innovation, Congress created the National Medal of Science and National Medal of Technology. These are the most prestigious honors the President can bestow for achievement in science and technology. Today I am proud to recognize a diverse and deserving group of American citizens, what we call pioneers.

The laureates we honor today have made new and lasting contributions in fields from

mathematics to behavioral science to geology to genetics. You've discovered new clues about the behavior of viruses, the workings of the human mind, and the shape of the universe. Many of your breakthroughs are changing entire industries, from airline safety to chemical production to computer software and networking. Your efforts to improve energy development and expand health care technology and reduce auto pollution are bringing the promise of a better future to people all around our globe.

Your experiences vary widely, yet all of you share some common traits. As innovators, you heard a calling to challenge the status quo. You weren't afraid to ask important questions. You applied rigorous standards to your research. I suspect some of you suffered some setbacks, yet you didn't get discouraged. You followed where the evidence led. You revised your methods but not your ambitions. And through a lifetime of hard work, you have produced accomplishments that will endure beyond your years.

For most of you, the journey of this day began when someone engaged your curiosity, a schoolteacher or a parent or a caring adult in your community. As your interest grew, you found a mentor in your field, a generous soul who added to your experience and raised your sights. Many of you have repaid that debt by devoting a part of your career to teaching, and I want to thank you for that. I appreciate the fine example that you have set for aspiring young scientists, like those from Benjamin Banneker High School who are with us or the Intel Science Talent Search folks who have joined us from all around our country. I want to welcome you all here. I appreciate you witnessing this important ceremony.

As you go on to greater accomplishments, I hope our recipients will continue to foster and encourage the scientists and technological leaders of tomorrow. By pursuing your curiosity, all of you have achieved historic results. You bring credit to yourselves, to your families, and to our country. You have our country's gratitude. You have earned our respect.

Once again, thank you for coming to the White House. Congratulations for your awards. The military aide will read the citations, and afterwards, I hope you will join us in a reception—back there. [*Laughter*]

Read the awards, please.

NOTE: The President spoke at 10:24 a.m. in the East Room at the White House.

Statement on the Nomination of Karen Hughes To Be Under Secretary of State for Public Diplomacy

March 14, 2005

Our long-term strategy to keep the peace is to help change the conditions that give rise to extremism and terror by spreading the universal principle of human liberty. This will require an aggressive effort to share and communicate America's fundamental values while respecting the cultures and traditions of other nations.

Karen Hughes has been one of my most trusted and closest advisers, and she has the experience, expertise, and judgment to lead this critical effort. Her return to public service in this important position signifies my personal commitment to the international diplomacy that is needed in these historic times. I value her counsel and friendship, as does Secretary Rice.

Remarks Following Discussions With King Abdullah II of Jordan and an Exchange With Reporters
March 15, 2005

President Bush. It's my real pleasure to welcome His Majesty back to the Oval Office. Your Majesty, every time you come, I really enjoy our conversation. His Majesty leads a great country in the midst of a part of the world that is changing, changing for the better. And I want to thank His Majesty for his leadership, his understanding about the need for reform, his strong alliance, his clear vision that the world needs to jointly fight terror. And I really appreciate you coming.

King Abdullah. Thank you.

President Bush. Welcome.

King Abdullah. I'd like to thank the President for welcoming me back to Washington. As always, our discussions have been very fruitful, to try and make the Middle East a better place. We had the chance to discuss the issues of the peace process, how we can move that forward, and obviously our commitment to regional reform. And as always, we've come away with some very good ideas and a decent way of being able to look at the future.

President Bush. We'll answer a couple of questions. Jennifer [Jennifer Loven, Associated Press].

President's Upcoming Meeting With the Maronite Patriarch of Antioch/Hizballah

Q. Yes, sir. Thank you. The Lebanese Maronite Patriarch you're meeting with tomorrow supports integrating Hizballah into the political mainstream.

President Bush. A little louder, excuse me.

Q. The Lebanese Maronite Patriarch you're meeting with tomorrow supports integrating Hizballah into the political mainstream in his country. Are you willing to consider that kind of role for Hizballah?

President Bush. Well, first, I look forward to listening to the Patriarch. It's going to be a very interesting discussion. One of the messages I want to say is that my meeting with the Patriarch is in no way embracing any religion for Lebanon; it is a way for me to speak to people that believe the Lebanese society ought to be free.

We view Hizballah as a terrorist organization, and I would hope that Hizballah would prove that they're not by laying down arms and not threatening peace. One of our concerns The Majesty and I discussed is that Hizballah may try to derail the peace process between Israel and the Palestinians. And it's very important that this peace process go forward, for the sake of the Palestinians, for the sake of the Israelis, and for the sake of all the people in the region. But Hizballah has been declared a terrorist organization by the United States because of terrorist activities in the past.

Peace and Progress in the Middle East

Q. Mr. President——

President Bush. Yes.

Q. ——the Arab peace initiative in Beirut has defined the ground for resolving the Arab-Israeli conflict, which would be also re-articulated in the coming Algeria summit. What would be the role of the United States in the coming stage to push forward that initiative? And when it comes to reforms, how would the United States help the Arab world, and Jordan in particular, in pushing forward?

President Bush. Well, I appreciate that question. First, let's start with Jordan. One of the things we've done is entered into trade negotiations with Jordan, so that commerce between our countries can flow better. It's much easier to reform when there's prosperity, when people are able to see His Majesty's vision about a prosperous future. And I—the other way to encourage reform

is to herald examples of reformers, people who are willing to put mechanisms in place that respond to the voice of the people, and His Majesty has done that.

We look forward to hearing the results of the conference in Algeria. The Foreign Minister briefed us on His Majesty's plans and the Jordanian Government's plans to have accountability measures in place, so as to help measure as to whether or not reforms are going forward.

As for the Palestinian-Israeli issue, the role of the United States will be to continue to urge both parties to make the sacrifices necessary—sacrifice meaning that Israel must withdraw from the settlements; there must be contiguous territory for a Palestinian state—into which a Palestinian state can grow. The Palestinians, in their part, must continue to work hard to fight any terrorist activities within the territories, and the Arab world must continue to work together to help Palestine build the necessary structures for democracy.

And I believe progress is being made. I said in my State of the Union Address to our country that I believe peace is within hand and that the United States Government will do that which is necessary to help move the process forward.

One of the things we've done is we've recently sent a general, Your Majesty, to the region to help the Palestinians have an effective security force. I believe President Abbas is desirous of developing a state that will live side by side with Israel in peace. And we recognize that the Palestinians need help in consolidating security forces and training security forces to defeat the terrorists who would like to stop the march of freedom.

Let's see—Steve [Steve Holland, Reuters].

Social Security Reform

Q. Sir, a new poll says 55 percent of Americans oppose your proposals on Social Security. Do you worry you're losing ground here? Is it a question of getting your message across, or does the plan need to be changed?

President Bush. Well, first, in that same survey I was heartened to see that over two-thirds of the Americans recognize we have a problem. And therefore, the administration and members of both parties in the legislative branch must come together to permanently solve the problem. My first concern was that Members of Congress would think the public didn't think there was a problem, but they do. And I am mindful that when the public says there's a problem, we've got to work to solve it.

Secondly, I was also heartened to see in that survey that many people believe younger workers ought to be allowed, at their option, to set aside some of their own money in a personal savings account. That principle was embraced by a lot of folks in the survey.

My view about taking on a tough issue is that that's what the American people expect a President to do. And I look forward to working with Members of the Congress to develop a plan. I've suggested ideas. I've suggested that we stop partisan bickering and come together to work for a solution. And I'm looking forward to finding that solution. That's what the people expect.

So, no, listen, I'm just getting started on this issue, Steve, and I'm enjoying every minute of it. I like to take big issues to the American people. I like to say to the American people, you've sent us here to Washington for a reason, and that is to solve problems, and we've got a problem. The American people say we've got a problem, and they're going to expect people to come to the table, and they're not going to like it when they see people not coming to the table.

Q. May I ask the King a question? May I ask the King a question, please?

President Bush. That's up to His Majesty. He's a generous guy, unlike me. [*Laughter*]

King Abdullah's View on Middle East Peace

Q. Your Majesty, since the new Palestinian leadership took over, what's your personal vision for the region at this time?

King Abdullah. Well, I'm, again, very supportive of President Abbas. I think he's a man of his word, and I think that you'll see him give 110 percent to deal with the security issues and to push the process forward.

I truly believe that in this man, Prime Minister Sharon has a partner for peace, and I'm very optimistic that between the two leaders that the process will go forward and go forward positively.

NOTE: The President spoke at 11:48 a.m. in the Oval Office at the White House. In his remarks, he referred to Nasrallah Boutros Cardinal Sfeir, Maronite Patriarch of Antioch; Minister of Foreign Affairs Hani Fawzi al-Mulki of Jordan; Lt. Gen. William E. Ward, USA, Senior U.S. Security Coordinator, Department of State; and President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority. King Abdullah referred to Prime Minister Ariel Sharon of Israel.

Remarks at the National Republican Congressional Committee Dinner
March 15, 2005

Thank you for the warm welcome. It is great to be here with good friends and great allies, the Republican Members of the United States Congress.

I'm here to thank the Members of the Congress for their service to our Nation. I appreciate your courageous decision to enter the arena, to put your name on the ballot, to lay out an agenda, and to campaign for what you believe. I appreciate your hard work, and I appreciate working with you. See, we came to Washington to make a difference, not to mark time.

I am honored to have been introduced by one of the Nation's greatest Speakers ever, Speaker Denny Hastert—solid as a rock, tenacious as a wrestler—[*laughter*]—and capable as all get-out. Mr. Speaker, Laura and I are proud to call you friend.

We got a lot of work to do. We're going to continue to pursue a positive agenda, an optimistic agenda for a stronger America and a safer world. We're going to continue to expand opportunity for all who live here in America. And we're going to continue to advance the cause of freedom and peace. On issue after issue, we will do what Americans have always done to build a better world for our children and our grandchildren.

And I'm honored to be sharing my responsibilities with a fantastic woman, a great mom, a great wife, a fabulous First Lady, Laura Bush.

And I'm proud of my runningmate and Vice President, from the great State of Wyoming, Dick Cheney. Mine is a job that requires making a lot of decisions, which means I must listen to capable, smart people, people who are able to give good advice when times are good and times aren't so good. Vice President Cheney has been that steady adviser, the solid rock. And what a decent man he is. I'm proud to be serving with him for 4 more years.

I appreciate other leaders of the United States Congress—my friend from the great State of Texas, Tom DeLay, and from Missouri, Roy Blunt. I want to thank Congresswoman Deborah Pryce from Ohio and Jack Kingston from Georgia and John Doolittle from California and John Shadegg from the State of Arizona. I particularly want to pay homage to Congressman Tom Reynolds, who has done a fabulous job as the chairman of the NRCC. And the chairman of

the spring dinner, Spencer Bachus from the great State of Alabama. Good job, Spence. It's nice to be up here with Linda too. Like you—yes, you married well. [*Laughter*]

Anyway, I appreciate the Reverend Steve Gaines and his wife, Donna. Patti LaBelle, honored that she is here. I want to thank all the Members of Congress who have joined us tonight. Looking forward to working with you.

Laura and I just had a chance to say hello to Buck Fowler and his daughters. He's the husband of the late Congresswoman Tillie Fowler. We extend our greatest respect for the Fowler family and our prayers for Buck and his family as they yearn and long for Tillie.

In the last 4 years, we've shown that we know how to set an agenda and that we know how to work together to achieve that agenda. Republicans are driving the debate on all key domestic and foreign policy issues of our time. And because we've done a lot of work together, because we have achieved a lot, we are the party of reform and optimism; we are the party of progress and ideas. We have shown a willingness to confront and solve difficult problems. We went to the voters and told them what we would do if elected. And when we got elected, we did what we promised we would do, and that's why we are in the majority in the United States Congress.

Consider what we did together. Our economy faced a recession and war. We worked together to unleash the entrepreneurial spirit of America with the largest tax relief in a generation. Our economic policies are working. This country has created more than 3 million new jobs since May of 2003, and today, more Americans are working than ever before in our Nation's history.

Our party stands for educating every child, so we passed the No Child Left Behind Act. It's one of the most important Federal education reforms in our Nation's history. We believe in high standards. We believe in stopping this process of just moving kids through schools without them learning the basics of reading and math. And because we worked together, an achievement gap in America is closing so that no child is left behind in this country.

We believe in ownership. We want more people to own a home or a business. We've worked together to expand ownership for all Americans, not just a handful of Americans. Today, because we acted, the homeownership rate in America is at an alltime high. Small businesses are growing and expanding. And for the first time, Americans can own their own health savings accounts, so they can have a health care plan of their own when they change jobs and so that they're in charge of their health care decisions.

After our Nation was attacked, we worked together to create the Department of Homeland Security. Because we acted to safeguard the ports and borders and better protect the American people, this country is safer than ever before. We went after an enemy that attacked America, and I want to thank the United States Congress for providing our service men and women with the resources they need to win this war against the terrorists.

In each case, we were successful because we stayed true to our principles. We pushed forward with our ideas. And now, in the start of a new term, we must continue to provide bold leadership that the Americans have come to expect.

In the 2004 elections, we ran on large issues. We campaigned on a platform of big ideas. We discussed those ideas at every campaign stop, and the American people responded. And now it is our turn to respond and do what they expect. We campaigned and said that we will be wise with the taxpayers' money. I have submitted a budget. Congress is now working on that budget to make sure that when we spend money, we do it wisely or not spend it at all. To keep the economy growing and

creating new jobs, we must make tax relief permanent.

We campaigned on legal reform. The scales of justice are not balanced in America. We must free our entrepreneurs and small businesses from those junk and frivolous lawsuits that run up the cost of doing business and make it hard for people to find work.

I appreciate the hard work of the Speaker and the leadership in getting a class-action reform piece of legislation to my desk. I was proud to sign it. We need to take action now on asbestos legal reform, and we need to make sure that health care is available and affordable and do something about the junk lawsuits that are running good doctors out of practice. We need medical liability reform now.

Our party has a clear agenda, to make health care more affordable and give families greater coverage and more control over their health decisions. We must move forward with improved information technology to prevent medical error and to reduce costs. We must expand health savings accounts. We must allow small businesses to pool together so they can buy insurance at the same discounts that big companies are able to do. In all we do, we will make sure health care decisions are made by doctors and patients, not by officials in Washington, DC.

We will continue our education reforms to make sure our high schools function well. We want to make sure a high school diploma means something. And also, we understand that in order to make sure this economy continues to grow, our employees in America must be skilled with the jobs of the 21st century. That is why we are such strong backers of the community college system here in America.

This party understands that to keep our economy growing, we need reliable supplies of affordable energy. We need to pass legislation this year that makes this country more secure and less dependent on foreign sources of energy.

I'm looking forward to working with the Congress on all these matters, and I'm also looking forward to working with Congress to save Social Security. I told the people when I ran for office that if given a second term, I would make Social Security a top legislative priority. And that's exactly what I have done since I was sworn in for the second term. I have been to 15 States so far on this issue, and I'm just warming up. On every visit, I'm assuring seniors and those nearing retirement that their Social Security benefits will not change. No matter what the propaganda says, no matter what the partisans say, our seniors will get their checks.

I'm also making the case to the American people that the Social Security system is insolvent and heading toward bankruptcy. I say "insolvent"—it isn't today, but it will be soon. You see, baby boomers like me are getting ready to retire—[*laughter*]—and there's a lot of us. In my case, the retirement age is in 2008, which is a convenient year. [*Laughter*] And we're living longer, and we have been promised greater benefits than the previous generation. And yet the problem is, there are fewer workers paying into the system. More people living longer, getting greater benefits, with fewer people paying into the system is math that will not work for the younger generations of Americans. In other words, for younger workers, the current system has made promises it cannot keep.

And every year we wait to address this problem will make any solution more painful and more drastic. In other words, we will leave our children and grandchildren with a greater burden. And this isn't fair, and this isn't right, and that's not how leaders lead. Now is the time to confront the Social Security issue.

Social Security has worked well for many of our seniors. Our job is to make sure it works well for the next generation. And as we fix Social Security permanently, we must also make it a better deal for younger workers. I have proposed allowing workers

to set aside a part of their payroll taxes in personal retirement accounts. These accounts would be voluntary. The money would go into a conservative mix of stocks and bond funds that would allow the younger worker to earn a higher rate of return on anything the current system could provide. That money would provide a nest egg to supplement their traditional Social Security checks, a nest egg they would call their own, a nest egg the Government could not take away, and a nest egg they could pass on to their children.

With the exception of raising the payroll tax rate, all options are on the table for strengthening Social Security. I am willing to listen to any good idea. The Social Security debate has only just begun, but I'll tell you what I believe and what I hear: Those on the side of reform are going to win. The American people want solutions and not empty partisan bickering. The American people expect people to come to the table and negotiate in good faith. The American people want this problem solved now and permanently, and our party will lead on this vital issue for generations to come.

On these and other issues, we're empowering individuals as we reform important institutions of our Government. And we do so because we believe in the American people. We empower people through our policies because we trust the judgment of the people we represent. And we can be confident in our policies, and we can be confident in our progress because we share the values and ideals of the American people. We've given the people of this country a clear choice, and we have performed. We did that in the 2002 elections; we did that in the 2004 elections. The American people have responded to a party which sets a clear agenda, a party which doesn't want to mark time, a party which understands that we must confront problems now and not pass them on to future Presidents and future Congresses.

In those elections, the American people have made it clear they want a President and Congress that understand the role of courts in our democracy. As I campaigned across this country last year, the judges was an issue that I raised at every single stop. Everywhere I went, I heard the same message: The American people want judges who faithfully interpret the law, not legislate from the bench. I will continue to find men and women—I will continue to nominate men and women who will strictly interpret the Constitution. And my judicial nominees deserve an up-or-down vote on the floor of the United States Senate.

I want to thank the leadership of the Congress and Members of Congress for clearly understanding the power of freedom in the world in which we live. We will stay on the hunt for those who want to hurt our country. We will support our troops around the world as they hunt down the terrorists so they can never inflict harm on us. But we also understand that the way to defeat terror in the long run, the way to defeat hopelessness and despair is to spread freedom and democracy. We 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 freedom is on the march. Think about what happened in Afghanistan. Millions went to the polls after we helped liberate that country from the Taliban. And the first voter, the first person to stand up and say, "I want a democracy," was a young woman. It didn't take long for freedom to manifest itself in that war-torn country. When people are given a chance—just given a chance—they will exercise their right as free men and women. See, freedom exists deep in the soul of every man and woman on the face of the Earth.

You know, in Iraq, the terrorists used bombs and beheadings and torture to try to prevent people from exercising their God-given right, but they couldn't stop the march of freedom. Millions went to the

polls in defiance of the terrorists. Millions said, "We want to be free." And the United States of America will stand with our allies and friends to help freedom movements, whether it be in Lebanon or Iraq or all around the world, because freedom will lead to the peace we all long for.

In this new term, I look forward to working with you, Speaker, and the leaders and the Members of Congress. And as we do, as we work with you, we'll stick with our ideals. We'll make our case to the American people as plainly as we can possibly make it, and we're going to get the job done. That's why we're here. We're in Washington, DC, to serve the people of this country, to reform institutions that need to be reformed, to stand by principles. We are the party of Lincoln. We are the party for Lincoln at home, and we are the party for Lincoln abroad. We believe every citizen should live in a free society.

By expanding freedom at home, we will provide our citizens, all our citizens, the path of greater opportunity and more control over their own lives. And by expanding liberty abroad, we'll provide our citizens with security—the security they need to build a prosperous and peaceful future for their children.

We're living in historic times. It's an incredibly exciting time to be serving our great Nation. I'm so honored to hold the position I hold, and I'm so honored to be able to work with such decent men and women of the United States Congress.

I want to thank all of you who have come tonight for supporting the Republican Party in the United States Congress. You're making a wise investment about the future of this country, an investment made upon principle, an investment based upon freedom, an investment that will help us stay a prosperous nation, and an investment that will allow each and every American to rise to his or her own God-given talents.

I love my country. I love working with the Congress. Thank you for coming tonight, and may God bless you all.

NOTE: The President spoke at 7:22 p.m. at the Washington Hilton Hotel. In his remarks, he referred to Linda Bachus, wife of Representative Spencer Bachus; Rev. Steve Gaines, senior pastor, Gardendale's First Baptist Church, Gardendale, AL; and entertainer Patti LaBelle.

The President's News Conference
March 16, 2005

The President. Thank you for giving me a chance to come by and say hello. I'm preparing for my trip out of town for Easter—the Easter week, and I thought I'd share some thoughts with you and answer some questions.

I am looking forward to continuing my dialog with the people on Social Security. It's important for the American people to understand that I believe the Social Security system has worked well, that Franklin Roosevelt did a positive thing when he created the Social Security system, but that I am deeply concerned about the Social Security system for younger Americans. And I believe we're making progress on convincing the American people of two things: One, nothing will change for seniors, those who have retired or near retirement; and secondly, that we must work together to make sure the system works for a younger generation of Americans. That's progress.

As I said—I think I told you all earlier that one of my missions in the Social Security debate was to set that issue before the

people so that people fully understand why I was addressing it, in other words, why—I fully understand some in Washington are saying, "Why would the President bring this up. It's a difficult issue. It may cause us to have to make a tough vote." I'm making that case to the people and will continue to do so in Florida on Friday, and then we'll head out west from Crawford and then back to Crawford for my meetings with Prime Minister Martin and President Fox.

I urge the Members to go out and, when they go home, to talk to their constituents not only about the problem but about solutions. I urge Members to start talking about how we're going to permanently fix Social Security. The Members, I hope, would not talk about a bandaid solution, but I think it's important for them to talk about a permanent fix, something that will last forever. I think the voters will appreciate people who come up with constructive suggestions, not statements merely in opposition of some ideas.

And so this is part of what I wanted to share with you, is that I'm actually enjoying myself on these trips. I hope you're enjoying traveling with me. I like to get out of Washington. I like to discuss big issues. I like to remind people that my job is to confront problems, and I will continue to talk about Social Security for the next period of time.

Iraq had a meeting today of its Transitional National Assembly. It's a bright moment in what is a process toward the writing of a constitution, the ratification of the constitution, and elections. And I want to congratulate the Iraqis for their Assembly. And it's—we've always said this is a process, and today was a step in that process. And it's a hopeful moment, I thought.

I am looking forward to seeing you down there in Crawford, those of you lucky enough to be able to travel with me. I wish you all a happy Easter. And I'll be glad to answer some questions.

Coalition in Iraq/Transition in Iraq

Q. Mr. President, the U.S.-led coalition in Iraq once had 38 countries contributing troops, and now that number has fallen to 24. And yesterday, Italy said that it was going to start pulling out some forces in September. How can you keep the coalition from crumbling? And is it time to think about a timetable for pulling out some U.S. troops, given that the Iraqi Parliament was seated today, and you're making progress in training some forces?

The President. Well, actually I called Silvio Berlusconi on another matter, which may or may not come up during this press conference. It's—actually, I'll give you a hint. I called him about the World Bank, and—[*laughter*]—and discussed my nominee, and—but he brought up the issue of Italian troops in Iraq and said, first of all, he wanted me to know that there was no change in his policy, that, in fact, any withdrawals would be done in consultation with allies and would be done depending upon the ability of Iraqis to defend themselves. And I said, "Are you sure I can say this to the press corps that will be wanting to know what took place in our conversation?" He said, "Absolutely."

So I think what you're going to find is that countries will be willing—or anxious to get out when Iraqis have got the capacity to defend themselves. And that's the position of the United States. Our troops will come home when Iraq is capable of defending herself, and that's generally what I find to be the case, Terry [Terence Hunt, Associated Press], when I've talked to other allies on this issue.

And we're making progress. I've—I talk to General Casey quite frequently, and he keeps us abreast of the progress being made. One of the things—one of the issues in terms of Iraqi troops being able to defend their country is the ability to stand up chains of command. I think I've shared this with you before, and it's still an issue that they're working on. There's officer

training schools, plus the ability for a command to go from a civilian government through a military chain of command, down to the lower ranks of troops. And there's positive signs that have taken place in the development of the Iraqi security force, and there's still work to be done. Our allies understand that.

But I say "anxious to come home," and every—nobody—I mean, people want their troops home, but they don't want their troops home if it affects the mission. We've gone—we've made a lot of progress. It's amazing how much progress has been made, thanks in large part to the courage of the Iraqi people. And when I talk to people, most understand we need to complete the mission. And completing the mission means making sure the Iraqis can defend themselves.

Q. So you don't think it's crumbling, the coalition?

The President. No, quite to the contrary, I think the coalition is—has been buoyed by the courage of the Iraqi people. I think they've been pleased and heartened by the fact that the Iraqis went to the polls and voted and they're now putting together a Government, and they see progress is being made. And I share that sense of enthusiasm about what's taking place in Iraq.

Yes, Steve [Steve Holland, Reuters].

Iran

Q. Yes, sir. The Iranians have dismissed the European incentive as insignificant. Should more incentives be offered? How long do they have until you take your case to the Security Council?

The President. Well, I—first of all, I want to thank our European friends for taking the lead on this issue, telling the Iranians that they should permanently abandon any enrichment or reprocessing, to make sure that Iran does not develop a nuclear weapon.

Let me review the bidding on this, if I might, just kind of the history, right quick. Iran has concealed its—a nuclear program. That became discovered, not because of their compliance with the IAEA or NPT but because a dissident group pointed it out to the world, and—which raised suspicions about the intentions of the program. You can understand why. It's a nontransparent regime. They're run by a handful of people. And so suspicions were raised, and as a result of those suspicions, we came together with friends and allies to seek a guarantee that they wouldn't use any nuclear program to make weapons. A lot of people understand that if they did have a weapon, it would create incredible instability. It wouldn't be good for world peace.

And so the best way to do that—and this is where we are in the talks—was to say to the Iranians that they must permanently abandon enrichment and reprocessing. And the EU–3 meant it. And now we're waiting for an Iranian response.

Q. So how long do you—how long do you wait? When do you go to the Security Council?

The President. The understanding is we go to the Security Council if they reject the offer, and I hope they don't. I hope they realize the world is clear about making sure that they don't end up with a nuclear weapon.

David [David Gregory, NBC News].

Social Security Reform

Q. Mr. President, you say you're making progress in the Social Security debate. Yet private accounts, as the centerpiece of that plan, something you first campaigned on 5 years ago and laid before the American people, remains, according to every measure we have, poll after poll, unpopular with a majority of Americans. So the question is, do you feel that this is a point in the debate where it's incumbent upon you, and nobody else, to lay out a plan to the American people for how you actually keep Social Security solvent for the long term?

The President. First of all, Dave, let me, if I might correct you, be so bold as to

correct you. I have not laid out a plan yet, intentionally. I have laid out principles. I've talked about putting all options on the table, because I fully understand the administration must work with the Congress to permanently solve Social Security. So one aspect of the debate is, will we be willing to work together to permanently solve the issue?

Personal accounts do not solve the issue. But personal accounts will make sure that individual workers get a better deal with whatever emerges as a Social Security solution.

And the reason why is because a personal account would enable a worker to, voluntarily, by the way—this is a voluntary program; you can choose to join or choose not to join. The Government is not making you do that. It's your option, and you can decide whether or not you want to put some of your own money aside in a conservative mix in stocks and bonds to earn a better rate of return than that which you would earn—your money would earn inside the Social Security system. And over time, that compounds. It grows, and you would end up with a nest egg you could call your own.

And so I think it's an interesting idea and one that people ought to discuss to make sure the system works better for an individual worker. But it's very important for people to understand that the permanent solution will require Congress and the administration working together on a variety of different possibilities.

Q. But sir, but Democrats have made it pretty clear that they're not interested in that. They want you to lay it out, and so, what I'm asking is, don't——

The President. I'm sure they do. The first bill on the Hill always is dead on arrival. I'm interested in coming up with a permanent solution. I'm not interested in playing political games. [*Laughter*] I'm interested in working with members of both political parties.

Q. Will you say if you're specifically supportive of an income test for the slowing of future benefits? Could that get some kind of bipartisan consensus going?

The President. David, there's some interesting ideas out there. One of the interesting ideas was by this fellow—by a Democrat economist, name of Pozen. He came to visit the White House. He didn't see me, but came and tossed some interesting ideas out, talking about making sure the system was progressive. We're open for ideas. And I—look, I can understand why people say, "Make—force the President to either negotiate with himself or lay out his own bill." I want to work with members of both political parties. And I stood up in front of the Congress and said, "Bring your ideas forward." And I'm looking forward to people bringing ideas forward. That's how the process works, and I'm confident we'll get something done.

See, the American people want something done. They don't like partisan politics. They don't like people saying, "I'm not going to accept so-and-so's idea because it happens to come from a particular political party." What they want is people coming together to solve this problem.

John [John Roberts, CBS News].

Energy Prices/Energy Policy

Q. Mr. President, the price of oil is at record levels, well above the $28 price point that you would prefer. The price of gasoline is projected to go above $2.50 this spring. How concerned are you that this could start to affect the American economy? Is there more you could do to talk with oil-producing nations to get the price at the wellhead down? And is there more you could do, since part of the problem is refining capacity, to encourage oil companies who haven't built a new refinery in 20 years to start increasing their capacity domestically?

The President. No, I am concerned about the price of energy. I'm concerned about what it means to the average American

family when they see the price of gasoline going up. I'm concerned what it means to small businesses. I'm worried about the price of natural gas, particularly given the sense that—because a lot of utilities now rely upon natural gas to provide electricity for their consumers. And I have been worried about this since 2001, when I first showed up in Washington, DC.

I'm concerned about the relationship between the demand for oil—our growing economy's demand for oil, but more particularly, the demand for oil from—or energy, in general, from countries like China, fast-growing countries that are consuming a lot of raw materials and natural resources. And it is of concern, John. And that's why I went to the Congress and asked them to join in a comprehensive energy plan, which they have yet to do. I would hope that when Members go back to their districts and hear the complaints of people about the rising price of gasoline or complaints from small-business owners about the cost of energy, that they will come back and, in the spirit of—in a proper spirit, get a bill to my desk that encourages conservation and continue to find alternative sources of energy. The—and by the way, the modernization of the electricity grid is an important part of the energy bill.

I, frankly, don't think we need a lot of incentives for energy companies in the energy bill. The incentive is price. That's plenty of incentive for people to go out and find additional resources. I hope Congress passes ANWR. There's a way to get some additional reserves here at home on the books.

In terms of world supply, I think, if you look at all the statistics, demand is outracing supply, and supplies are getting tight. And that's why you're seeing the price reflected. And hopefully, there will be more conservation around the world, better conservation around the world as well as additional supplies of energy.

One thing is for certain: We've got to use our technology to, over time, evolve away from reliance upon oil and gas and, at the same time, use our technologies to make sure we can use our plentiful resources like coal in an environmentally friendly way. I went to Columbus, Ohio, the other day and talked to the person responsible for the FutureGen plant, which is a innovative use of technology for there to be emissions-free coal-burning plants. That would not only be helpful for the United States, it would be helpful for the world, developing nations to be able to use this technology.

This is going to be a subject, by the way—was a subject of interest in my trip to Europe. In the councils of the EU, we talked about how we can work together on technological developments to change habits and change supply of the energy mix for the world. And this will be a topic of—at the G–8 as well.

Yes.

Q. Mr. President, could I follow up? Everybody else has had a chance to follow up.

The President. I know, I'm trying to break the habit. [*Laughter*] Sorry, it's not you, Roberts. Don't take it personally. [*Laughter*]

Q. I never do, sir.

The President. That's good. Neither do I.

Return of Detainees to Countries of Origin

Q. Mr. President, can you explain why you've approved of and expanded the practice of what's called rendition, of transferring individuals out of U.S. custody to countries where human rights groups and your own State Department say torture is common for people in custody?

The President. The post-9/11 world, the United States must make sure we protect our people and our friends from attack. That was the charge we have been given. And one way to do so is to arrest people and send them back to their country of origin with the promise that they won't be tortured. That's the promise we receive.

This country does not believe in torture. We do believe in protecting ourselves. We don't believe in torture. And——

Q. As Commander in Chief——

The President. Sorry, let—this is going to make Roberts feel terrible.

Q. That's all right.

The President. No, no, you shouldn't make——

Q. It doesn't bother me at all. [*Laughter*]

The President. Elisabeth [Elisabeth Bumiller, New York Times].

Q. As Commander in Chief, what is it that Uzbekistan can do in interrogating an individual that the United States can't?

The President. No, we seek assurances that nobody will be tortured when we render a person back to their home country.

Elisabeth.

Candidate for World Bank President

Q. Paul Wolfowitz, who was the—a chief architect of one of the most unpopular wars in our history——

The President. [*Laughter*] That's an interesting start. [*Laughter*]

Q. ——is your choice to be the President of the World Bank. What kind of signal does that send to the rest of the world?

The President. Well, first of all, I think people—I appreciate the world leaders taking my phone calls as I explained to them why I think Paul will be a strong president of the World Bank. I've said he was a man of good experiences. He helped manage a large organization. The World Bank is a large organization. The Pentagon is a large organization; he's been involved in the management of that organization. He's a skilled diplomat, worked at the State Department in high positions. He was the Ambassador to Indonesia, where he did a very good job representing our country. And Paul is committed to development. He's a compassionate, decent man who will do a fine job in the World Bank. And that's why I called leaders of countries, and that's why I put him up.

I was pleased to see that Jim Wolfensohn, earlier today, made a very strong comment about Paul's candidacy. Jim Wolfensohn has done a fine job in leading the World Bank. He's represented the World Bank with a lot of class and a lot of dignity, and I think his comments are very important comments for—for people to get to know Paul better before the—before the vote is taken.

Jim [Jim VandeHei, Washington Post].

Representative Tom DeLay

Q. Sir, Tom DeLay, the House majority leader, has been admonished three times by the House Ethics Committee, is currently embroiled in several controversies involving a lobbyist who happened to be a pretty big fundraiser for your two campaigns. Do you have the full confidence in Tom DeLay, his tactics, and his leadership role in the Republican Party?

The President. I have confidence in Tom DeLay's leadership, and I have confidence in Tom DeLay. And I am—we've worked closely with Tom DeLay and the leaders in the House to get a lot done during the last 4 years, and I'm looking forward to working with him to get a lot done during the next 4 years. We've got a big agenda. We've got to get an energy bill out of the House. We've got to get more legal reform out of the House. We've got to get a Social Security reform package out of the House, got to get a budget out of the House. There's a lot going on. And Speaker Hastert and Leader DeLay and Whip Blunt are close allies and people with whom we're working to get a lot done.

Congressional Hearings on Steroid Use/ Major League Baseball

Q. Mr. President, you have spoken out about the need for owners, coaches, and players in all sports to stop steroid use. And you've also voiced reservations about Government getting too involved in that. And as you know, Congress is issuing subpoenas to Major League Baseball players

during spring training. Do you think that that's an abuse of power, or is it appropriate, in your view?

The President. Well, Congress generally has an independent mind of its own. I spoke out and was pleased to see that baseball responded, and they've got a testing policy in place for the first time ever, a firm testing policy in place. And it's very important that baseball then follow through and implement the testing and, obviously, deal with those who get caught cheating in the system.

And the hearings will go forward, I guess. I guess that's the current status. But I'm wise enough not to second-guess the intentions of the United States Congress.

I do appreciate the public concern about the use of steroids in sports, whether it be baseball or anywhere else, because I understand that when a professional athlete uses steroids, it sends terrible signals to youngsters. There's—we've had some stories in my own State. One of the newspapers there pointed out that they thought there was steroid use in high schools as a result of—in order to make sure these kids, at least in the kid's mind, could be a better athlete. It's a bad signal. It's not right.

And so I appreciate the fact that baseball is addressing this, and I appreciate the fact that the Congress is paying attention to the issue. This first started, of course, with Senator McCain, who basically said, "Get your house in order." And baseball responded, and my hope is the system will work.

Q. You have no problem with the subpoenas?

The President. No.

Carl [Carl Cameron, FOX News].

Judicial Nominations/Senate Rules Changes

Q. Mr. President, your judicial nominees continue to run into problems on Capitol Hill. Republicans are discussing the possibility of ending the current Democratic filibuster practice against it. And Democrats yesterday, led by Minority Leader Harry Reid, went to the steps of the Capitol to say that if that goes forward, they will halt your agenda straight out. What does that say about your judicial nominees, the tone on Capitol Hill? And which is more important, judges or your agenda?

The President. Both. I believe that I have a obligation to put forth good, honorable people to serve on the bench and have done so. And I expect them to get up-or-down vote on the floor of the Senate. This isn't a new position for me, or the—I've been saying this for the last several years. And they ought to get a vote. They're getting voted out of committee, but they're not getting a vote on the floor. And I don't think it's fair to the candidates, and I don't think it's fair to the administration for this policy to go forward. And so—and hopefully, the Senate will be able to conduct business and also give my nominees a vote, an up-or-down vote on the floor of the Senate.

Yes, sir. John [John McKinnon, Wall Street Journal].

Social Security Reform

Q. Sir, on Social Security, what is the timeline that you want to see for action by Congress on a bill? When do you start to get worried about not getting something done this year? And also, if I can add, would you be willing to drop personal accounts in order to get a bill?

The President. Personal accounts are very important for the individuals. It's a—you know, it's interesting—David quoted some poll. There's all kinds of polls. For every poll you quote, I'll quote another one. It's kind of the way Washington works these days. They poll everything. The one I read the other day said people like the idea of personal accounts.

I think people like the idea of being able to take some of their own money—in other words, the Government says, "You can decide," as opposed to, "We'll decide for you"—you get to decide if this is in your interest. And you get to decide whether

you want to set some of your own money aside in an account that will earn a better rate of return than that which will be earned in the Social Security system. That's an important part of making sure the system works for the individual.

I repeat, personal accounts do not permanently fix the solution. They make the solution more attractive for the individual worker. And that's important for people to understand, John, and that's why it's very important for Congress to discuss this issue.

In terms of timetables, as quickly as possible—whatever that means. No, I am going to—one of the things that I think is very important for people to understand is that I believe that we have a duty to work on big problems in Washington, DC, and so I'm going to continue working on this. And it's, I guess—I'm not going to go away on the issue, because the issue is not going to go away. The longer we wait, the more difficult it is to solve the problem.

And listen, I fully understand it's a difficult issue. Otherwise, it would have been solved a long time ago. And I understand some Members don't—view this as a tough vote. In other words, "Why did you bring it up? It's a tough vote." And—but that's just not the way I think, John. I think we have a duty. I truly do. This is—now is the time to get this solved. I remember 1983, this "We've got a 75-year solution." It wasn't a 75-year solution that they came up with. It was a—I liked the spirit of people coming together from both parties to sit down and see if they couldn't solve the immediate problem, but it wasn't a 75-year solution because we're talking about it now. And at 2018, the situation starts to get worse because more money is coming into the system—I mean, more money is going out of the system than coming in.

You know, one thing about Social Security—I'm sorry to blow on here, but now that you asked—a lot of people in America think there is a trust: Your money goes in; the Government holds it; and then the Government gives you your money back when you retire. That's just not the way it works. And it's important for the American citizens to understand it's a pay-as-you-go system. And right now, we're paying for a lot of programs other than Social Security with the payroll tax coming in, thereby leaving a pile of IOUs. And part of why I think a personal account is an attractive option for a younger worker is that there will be real assets in the system at this point in time.

I also will continue reminding people, when it comes to personal accounts, that the system oftentimes doesn't work for a widow. You know, if a wage-earner dies prior to 62, there are no spousal benefits available until 62. If the spouse—both spouses work, the spouse that survives will get the higher of his or her Social Security benefits or the death benefits but not both. In other words, somebody's contribution to the system just goes away. And a personal account will enable somebody to leave behind an asset base to whomever he or she chooses. And that's an important concept for people to understand.

Peter [Peter Baker, Washington Post].

Death Penalty

Q. Mr. President, your administration recently called on the Texas courts to review some death cases—some death penalty cases down there.

The President. Yes.

Q. And during your State of the Union, you talked about the importance of DNA evidence, and you talked about the possibility that maybe there were inequities in the system and the lawyers that represent death row inmates. I'm wondering if this represents a change in your feelings about the death penalty since you were Governor of Texas. And if there are the possibilities—the possibilities exist of problems, why not call on—for a moratorium?

The President. No, I still support the death penalty, and I think it's a deterrent

to crime. But I want to make sure, obviously, that those subject to the death penalty are truly guilty. And that's why I talked about what I talked about and why I made the decisions I made. I think, regardless of your position on the issue, one of the things we've got to make sure is that we use, in this case, technology, DNA technologies, to make sure that we're absolutely certain about the innocence or guilt of a person accused.

Yes.

Saint Patrick's Day/Northern Ireland Peace Process

Q. Mr. President, are you trying to send a message to the IRA by not inviting Gerry Adams and the other Northern Ireland politicians tomorrow?

The President. I talked to Bertie Ahern about this and—at the EU, and he just asked who was coming to the events, which—I said, "You are, for certain." And we wanted to make sure that we honored those in civil society in Ireland who are contributing positively to the peace process. And that's what we'll be doing on this particular trip.

It's very important that people understand that the parties must renounce violence. There's a—the Good Friday agreement laid out the way forward for peace in Northern Ireland, and this administration and our Government strongly supports those steps. But tomorrow's message will be, we want to thank those in civil society who are working hard to achieve a peaceful resolution.

Q. By inviting the widow—the sisters, rather, of this man who was killed——

The President. That's part of the statement, a very strong part of the statement, and I'm looking forward to meeting these very brave souls. They've committed themselves to a peaceful solution. And hopefully, their loved one will not have died in vain. I mean, out of this—hopefully, some good will come out of the evil perpetuated on this family.

Yes, sir.

Hizballah/Lebanon

Q. Mr. President, yesterday you said that Hizballah could prove it is not a terrorist organization by laying down arms and supporting peace. How willing and flexible, and under what conditions are you able to, as you promote democracy in the Middle East, encourage parties like Hizballah to discontinue the use of terrorism as a tactic?

The President. Yes, I think—let me make sure that you put my answer into full context. I first said that Hizballah is on the terrorist list for a reason, because they have killed Americans in the past, and they—they're a violent organization. And the question was about Lebanon, and let me take a step back, if I might, on this question, because it's important for the American people to understand our policy.

Our policy is this: We want there to be a thriving democracy in Lebanon. We believe that there will be a thriving democracy, but only if—but only if—Syria withdraws not only her troops completely out of Lebanon but also her secret service organizations, intelligence organizations—not secret service—intelligence organizations. I am concerned and the world should be concerned that the intelligence organizations are embedded in a lot of Government functions in Lebanon, and there needs to be a complete withdrawal of those services in order for there to be a free election. And we will—this Government will work with elected leaders of a free, truly free Lebanon, and looking forward to it.

I like the idea of people running for office. There's a positive effect when you run for office. Maybe some will run for office and say, "Vote for me; I look forward to blowing up America." I don't know; I don't know if that will be their platform or not. But it's—I don't think so. I think people who generally run for office say, "Vote for me; I'm looking forward to fixing your potholes or making sure you've got bread on

the table." And so—but Hizballah is on the terrorist list for a reason and will remain on the terrorist list for a reason. Our position has not changed on Hizballah.

Judy [Judy Keen, USA Today].

Same-Sex Marriage

Q. President Bush, a court ruling in California this week has revived debate over same-sex marriage. You support a constitutional amendment to ban such marriages. But it's not something you talk about nearly as often as Social Security and many other issues. Will you put some muscle behind that effort this year? Or is it something you'd prefer not to deal with?

The President. No, I haven't changed my position. And as a matter of fact, the court rulings are verifying why I took the position I took, and that is, I don't believe judges ought to be deciding this issue. I believe this is an issue of particular importance to the American people and should be decided by the people. And I think the best way to do so is through the constitutional process. I haven't changed my mind at all. As a matter of fact, court rulings such as this strengthen my position, it seems like to me. People now understand why I laid out the position I did.

Q. What can you do to promote action on that amendment?

The President. Well, I—the courts are going to promote a lot of the action by their very rulings. People will understand that—the logic behind the decision I made. And no matter what your position is on the issue, this is an issue that should be decided by the people, not by judges. And the more the judges start deciding the issue, I'm confident the more the people will want to be involved in the issue. This is a very important issue for the country and one that obviously needs to be conducted with a great deal of sensitivity and concern about other people's feelings. But this is—it's an issue I feel strongly about.

Yes, Stretch [Bill Sammon, Washington Times].

Democracy in the Middle East

Q. Mr. President, you faced a lot of skepticism in the runup to the Iraq war and then a lot of criticism for miscalculating some of the challenges of postwar Iraq. Now that the Iraq elections seem to be triggering signs of democratization throughout the broader Middle East, do you feel any sense of vindication?

The President. First of all, I fully understand that as long as I'm the President, I will face criticism. It's like part of the job. Frankly, you wouldn't be doing your job if you didn't occasionally lay out the gentle criticism. I welcome constructive ideas as to how we might do our job better, so that doesn't bother me. And therefore, since it doesn't bother me and I expect it, I don't then leak—seek vindication.

Look, history—shall I give you my talk on history and Presidencies? Okay, thank you. I don't—what's interesting is George Washington is now getting a 2d or 3d or 5th or 10th look in history. I read the Ellis book, which is a really interesting book, and—"His Excellency," it's called. David McCullough is writing a book on George Washington as well. People are constantly evaluating somebody's standing in history, a President's standing in history, based upon events that took place during the Presidency, based upon things that happened after the Presidency, based upon—like in my case, hopefully, the march of freedom continues way after my Presidency. And so I just don't worry about vindication or standing.

The other thing, it turns out, in this job you've got a lot on your plate on a regular basis. You don't have much time to sit around and kind of wander lonely in the Oval Office, kind of asking different portraits, "How do you think my standing will be?" [*Laughter*] I've got a lot to do. And I like to make decisions, and I make a lot of them.

But no, you know, look, the people who deserve the credit in Iraq are the Iraqi

citizens that defied the terrorists. Imagine what it would be like to try to go vote thinking that there could be a suicide bomber standing next to you in line, or somebody would lob a shell or a mortar at you. The courage of the Iraqi citizens was just overwhelming, I thought. It's easy for us to vote. The question is what it would be like to vote if you were fearful for your life. In parts of the country, people were getting messages that said, "If you vote, we'll find somebody you love and take care of them." And yet they defied—defied these terrorists. It was a powerful moment in the history of freedom. People in the world got to see what it means to—for a group of people that have been downtrodden to rise up and say, "I want to be free."

Now, there's a lot of work to be done, and I'm sure there will be some opinions about what takes place during the next 9 months, as the constitution is written, and whether or not the elections move forward as smoothly as some think they should. Obviously, there's concern now I read about, that—occasionally reading, I want you to know, in the second term—that—your stories, that is—that they haven't formed a Government yet. But I take a different look. First of all, obviously, there will be a Government formed, but I think it is interesting and—to watch the process of people negotiating and worrying about this and worrying about that and people seeking out positions as to their stands on issues that will be relevant to the future of Iraq. It's a wholesome process. And it's being done in a transparent way. I mean, you've got the press corps all over them, watching every move, which is a positive example for others in the region.

And that's important. It's important for people in that region to see what is possible in a free society. And I firmly believe that the examples of Iraq and Afghanistan—I believe there will be a Palestinian state. I believe we'll be able to convince Syria to fully withdraw, or else she'll be isolated—fully withdraw from Lebanon, or else she'll be isolated. I believe those examples will serve as examples for others over time. And that will lead to more peace, and that's what we want.

Yes, Carl [Carl Cannon, National Journal].

Under Secretary of State-designate Karen Hughes

Q. Mr. President, do you also think it will lead to America's reputation being restored? Earlier this week you brought Karen Hughes back at Ambassador rank to address the question of antipathy to America around the world——

The President. Yes.

Q. ——particularly the Muslim world. What does that entail?

The President. Well, it entails a couple of things, Carl. It entails people understanding why we do things we do. You know, for example, there was—I think we had the image of wanting to fight Muslims—the United States stood squarely against a religion as opposed to a society which welcomes all religions. And in fact, we're fighting a handful of people, relative to the Muslim population, that wanted to—I used to say "hijack the religion."

People need to understand we're a compassionate nation, and we care deeply about suffering, regardless of where people live. And the—you know, President Clinton and President Bush 41 did a fine job of helping the world see the great compassion of America when they went on their trips in the areas ravaged by the tsunamis.

It is very important for us to have a message that counteracts some of the messages coming out of some of the Arab media—some of it coming out partly because of our strong and unwavering friendship with Israel. You know, Israel is an easy target for some of the media in the Middle East, and if you're a friend of Israel, you become a target. And since we're not going to abandon our alliance with Israel, there's a—there was some

churning in the press, and there was some unhelpful things being said. And so part of that is to make sure people understand the truth. And that is, in this particular issue, you bet we're going to stand by Israel. But we also believe the Palestinians have the capability of self-governance in a truly democratic state that will live side by side with the Israelis in peace.

And so Karen is going—one, I want to thank her for coming back from Austin. It's very hard, if you're a Texan, to abandon Austin for anywhere else, and—or Texas for anywhere else. Secondly, I applaud Secretary Rice's decision to include Karen in the process. I thought that was very wise of her to call upon Karen's talents. And Dina Powell from my office, an Egyptian American, is also going over, leaving the White House compound to work with Karen, because she believes deeply in the American experience, in American values and wants to share those values with people around the world.

And you know, I think when people also see, Carl, that we do what we say we're going to do, for example, that we helped feed the hungry and that we believe all folks should be free and that women should have an equal say in society—I think when people see we actually mean that—and then when it comes to fruition, it will help people around the world better understand our good hearts and good nature.

Yes, Ken [Ken Herman, Cox News].

Federal Government News Videos

Q. Mr. President, earlier this year, you told us you wanted your administration to cease and desist on payments to journalists to promote your agenda. You cited the need for ethical concerns and the need for a bright line between the press and the Government. Your administration continues to make the use of video news releases, which is prepackaged news stories sent to television stations, fully aware that some—or many of these stations will air them without any disclaimer that they are produced by the Government. The Comptroller General of the United States this week said that raises ethical questions. Does it raise ethical questions about the use of Government money to produce stories about the Government that wind up being aired with no disclosure that they were produced by the Government?

The President. There is a Justice Department opinion that says these pieces are within the law, so long as they're based upon facts, not advocacy. And I expect our agencies to adhere to that ruling, to that Justice Department opinion. This has been a longstanding practice of the Federal Government, to use these types of videos. The Agricultural Department, as I understand it, has been using these videos for a long period of time. The Defense Department, other Departments have been doing so. It's important that they be based upon the guidelines set out by the Justice Department.

Now, I also—I think it would be helpful if local stations then disclosed to their viewers that that's—that this was based upon a factual report, and they chose to use it. But evidently, in some cases, that's not the case. So, anyway.

Q. The administration could guarantee that's happening by including that language in the prepackaged report.

The President. Yes, I don't—oh, you mean a disclosure, "I'm George W. Bush, and I"——

Q. Well, some way to make sure it couldn't air without the disclosure that you believe is so vital.

The President. You know, Ken, there's a procedure that we're going to follow, and the local stations ought to, if there's a deep concern about that, ought to tell their viewers what they're watching.

Iran

Q. Mr. President, do you think there should be regime change in Iran? And if so, what are you prepared to do to see that happen?

The President. Richard [Richard Wolffe, Newsweek], I believe that the Iranian people ought to be allowed to freely discuss opinions, read a free press, have free votes, be able to choose amongst political parties. I believe Iran should adopt democracy. That's what I believe.

Q. Mr. President——

The President. Yes, ma'am.

Religious Displays

Q. Thank you, sir. Do you believe that nativity scenes and the Ten Commandments should continue to be displayed on Federal property or in schools?

The President. We had a display of the Ten Commandments on the statehouse grounds in Texas, and I supported that display.

Social Security Reform

Q. Mr. President, back to Social Security, if I may.

The President. Yes——

Q. You said right at the top today that you urged Members of Congress to go out and talk about the problem with their constituents.

The President. About solutions to the problem.

Q. But also to talk about solutions, and it's that part of it I want to ask about. Aren't you asking them to do something that you really haven't been willing to do yet?

The President. No, I'm interested in—first of all, I have laid out, in the State of the Union Address—I haven't looked at all previous State of the Union Addresses, but I think I'm the first President ever to say, "All options are on the table," and named a series of options. I think. Now, maybe if somebody could go back and find out—if you've got some idle time on your hand, you might want to go read previous State of the Union Addresses and see if that's true.

I don't believe Members should go write a bill, but I do believe a Member should start discussing ideas with constituencies about how to solve the problem, as opposed to blocking ideas—to say, "Here are some ideas," and come back and present them. That's what's happening, by the way. There's a lot of Members are talking about different concepts. I've called a lot of them into the White House compound; I've listened to them. There's a variety of ideas, and that's positive. I view that as a positive sign that Members of Congress, one, take the problem seriously—I thought it was helpful yesterday when the United States Senate said that Social Security is a serious problem that requires a permanent solution.

And now it's time for people, when they get back from Easter, having talked to different constituency groups, to come back and sit down and start sharing ideas about how to move the process forward. And my pledge is that I will not take somebody's idea and use it as a political weapon against them. That's what's changed in this debate. In other words, the Social Security—they used to call it the third rail of American politics, because when you talked about it, you got singed, at the minimum. And it's now time to talk about it in a serious way, to come up with a permanent solution.

Yes, Jackson [David Jackson, Dallas Morning News].

Q. Mr. President, you talked earlier about going——

The President. I can't call on Herman and not on Jackson. [*Laughter*]

Iran

Q. Thank you. You talked about going to the Security Council if Iran turns down this EU–3 deal. Iran says they're not making nuclear weapons. Are we looking at a potential military confrontation with Iran?

The President. You know that we've got a lot of diplomacy, you know. I mean, there's a lot of diplomacy in this issue. And that's why I was so pleased to be able to participate with our friends France and Great Britain and Germany to say to the

Iranians, "We speak with common voice, and we share suspicions because of your past behavior. And the best way to ensure that you do not develop a nuclear weapon is for you to have no enrichment of plutonium—have no highly enriched uranium program or plutonium program that could lead to a weapon." That's what we've said.

And we've just started the process. We just had the discussion. How long ago was I in Europe? Maybe 10 days or so, 2 weeks? About 2 weeks? I mean, it takes a while for things to happen in the world, David. I mean, I know there's a certain impatience with a never-ending news cycle. But things don't happen on—necessarily overnight the way some would like them, you know. They just—solve this issue, and we go to the next issue. There's a certain patience required in order to achieve a diplomatic objective. And our diplomatic objective is to continue working with our friends to make it clear to Iran we speak with a single voice.

Listen, whoever thought about modernizing this room deserves a lot of credit. [*Laughter*] It's like there's very little oxygen in here anymore. [*Laughter*] And so for the sake of a healthy press corps and a healthy President, I'm going to end the press conference. But I want to thank you for giving me a chance to come by and visit. I wish you all—genuinely wish you all a happy Easter holiday with you and your family.

Thank you.

Q. Can I get that followup now?

The President. What?

Q. Can I get that followup now? [*Laughter*]

NOTE: The President's news conference began at 10:15 a.m. in the James S. Brady Press Briefing Room at the White House. In his remarks, he referred to Prime Minister Paul Martin of Canada; President Vicente Fox of Mexico; Prime Minister Silvio Berlusconi of Italy; Robert C. Pozen, chairman, MFS Investment Management; Gen. George W. Casey, Jr., USA, commanding general, Multi-National Force—Iraq; Prime Minister Bertie Ahern of Ireland; Paula, Catherine, Donna, Claire, and Gemma McCartney, and Bridgeen Hagans, sisters and fiancee of Robert McCartney, who was murdered in Belfast, Ireland, on January 30; and authors Joseph J. Ellis and David McCullough. A reporter referred to Sinn Fein leader Gerry Adams.

Remarks Following Discussions With Maronite Patriarch of Antioch Nasrallah Boutros Cardinal Sfeir of Lebanon
March 16, 2005

President Bush. Your Eminence, welcome. It is my honor to welcome you and your distinguished delegation to the Oval Office. We're—thank you for your conversation.

His Eminence and I discussed, of course, Lebanon and our deep desire for Lebanon to be a truly free country—free where people can worship the way they choose to, free where people can speak their mind, free where political parties can flourish, a country based upon free elections. And I assured His Eminence that United States policy is to work with friends and allies to insist that Syria completely leave Lebanon, Syria take all her troops out of Lebanon, Syria take her intelligence services out of Lebanon, so that the election process will be free and fair.

His Eminence is a man of God. He brings great prestige of the church to the Oval Office. And I'm proud you're here,

Your Eminence, and thank you for your time.

Now His Eminence would like to say a few words.

Cardinal Sfeir. Thank you very much, Mr. President. We come to the White House in response to the invitation of His Excellency, President George W. Bush, and we thank him for his cordial and warm reception. I would also like to express my deep gratitude for his sincere interest in Lebanon, the freedom of its people, and in peace in Lebanon and the world.

This was a good opportunity to exchange views on the situation in Lebanon and the questions of freedom and democracy in our region. We profited from this occasion to convey to President Bush the views and aspirations of all the Lebanese.

The Lebanese, above conviction, are alarmed by the continued migration of Christian and Muslim youths due to the lack of job opportunities and the suffocating political conditions at home. We look forward to see these conditions reversed because the future of Lebanon requires the talents and energy of all her children.

It is important to recall that Lebanon was the first democracy—democratic country in the region. Maybe it was not a perfect democracy, but Lebanon remains the role and the point of departure for the spread of democracy in the region. This why His Holiness, Pope John Paul II, stated that Lebanon is an ideal for freedom and democracy for the East and West, and this is what we have repeated here.

We are hopeful that the Lebanese, with the support of their friends around the world, will be able to build a better future in a free, independent, pluralistic, and sovereign Lebanon.

Thank you.

President Bush. Your Eminence, thank you, sir. Proud you're here, sir. Thank you.

NOTE: The President spoke at 2 p.m. in the Oval Office at the White House.

Statement on House of Representatives Passage of Legislation Funding the War on Terror

March 16, 2005

I applaud the House of Representatives for its strong bipartisan support for our troops and for our strategy to win the war on terror. The people of Iraq and Afghanistan are building new democracies and defying the terrorists, and America is standing with them. Both countries are assuming greater responsibility for their own security, which will help our troops return home as quickly as possible with the honor they have earned.

I thank the House for its quick action and look forward to working with the Senate so that all of my top priorities are included in the final legislation.

Statement on Senate Action To Allow for Environmentally Responsible Energy Exploration in a Small Part of the Arctic National Wildlife Refuge
March 16, 2005

I applaud today's vote in the Senate to allow for environmentally responsible energy exploration in a small part of the Arctic National Wildlife Refuge. A reliable domestic supply of energy is important to America's security and prosperity. This project will keep our economy growing by creating jobs and ensuring that businesses can expand. And it will make America less dependent on foreign sources of energy, eventually by up to a million barrels of oil a day.

I also call on the Congress to pass a comprehensive national energy plan that will diversify supply, increase conservation and efficiency, and upgrade our energy infrastructure.

Message on the Observance of Nowruz
March 16, 2005

I send greetings to those celebrating Nowruz.

Nowruz marks the arrival of a new year and the celebration of life. It has long been an opportunity to spend time with family and friends and enjoy the beauty of nature.

Many Americans who trace their heritage to Iran, Iraq, Afghanistan, Pakistan, Azerbaijan, Turkey, and Central Asia observe this special occasion to preserve their rich heritage and ensure that their values and traditions are passed on to future generations. This festival also reminds all Americans of the diversity that has made our Nation stronger and better.

Laura and I send our best wishes for peace and prosperity in the New Year.

GEORGE W. BUSH

NOTE: An original was not available for verification of the content of this message.

Remarks Announcing the Nomination of Representative Robert J. Portman To Be United States Trade Representative
March 17, 2005

Good morning. I'm pleased to announce my nomination of Congressman Rob Portman to be our next United States Trade Representative. For more than a decade, Rob Portman has been a superb Representative of the Second District of Ohio. He's earned the trust of his constituents and the admiration of his colleagues. He brings a record of achievement to this new assignment.

As a Member of the House leadership, Rob has shown he can bring together people of differing views to get things done. He's been a tireless advocate for America's manufacturers and entrepreneurs. He's a former international trade lawyer who has shown a deep dedication to free and fair

trade, and now he will bring that commitment to his new role as U.S. Trade Representative.

As an Ohioan, Rob knows firsthand that millions of American jobs depend on exports, including one in every five factory jobs. Our country is home to about 5 percent of the world's population, and that means 95 percent of our potential customers are abroad. To keep our economy growing and creating jobs, we need to continue opening foreign markets to American products. Rob knows that America's farmers and workers can compete with anybody, anytime, anywhere in the world, so long as the rules are fair.

Under the outstanding leadership of Ambassador Bob Zoellick, the U.S. Trade Representative's office helped bring China and Taiwan into the World Trade Organization and worked with Congress to secure Trade Promotion Authority. Bob and his team have completed free trade agreements with 12 nations on 5 continents, that will open a combined market of 124 million consumers for America's farmers, manufacturers, and small-business owners. I appreciate his fine service, and I will continue to count on his wisdom and good judgment in his new post as Deputy Secretary of State.

When he is confirmed by the Senate, Rob Portman will build on Ambassador Zoellick's achievements. I've asked him to take on a bold agenda. We need to continue to open markets abroad by pursuing bilateral free trade agreements with partners around the world. We need to finish our work to establish a Free Trade Area of the Americas, which will become the largest free trade zone in the world. We need to complete the Doha round negotiations within the World Trade Organization, to reduce global barriers to trade. We must continue to vigorously enforce the trade laws on the books so that American businesses and workers are competing on a level playing field.

Rob is the right man to carry out this agenda. I've known him for many years. He is a good friend, a decent man, and a skilled negotiator. He understands that trade creates jobs, raises living standards, and lowers prices for families here at home. Rob also understands that as the world trades more freely, it becomes more free and prosperity abounds.

Rob Portman will be a fine leader for the dedicated men and women who work in the Office of the U.S. Trade Representative. I'm grateful he's agreed to serve. I'm grateful to his wife, Jane, and their three children, Jed, Will, and Sally. I urge the Senate to promptly confirm this outstanding nominee as America's Trade Representative, and I look forward to welcoming Rob into my Cabinet.

Congratulations.

NOTE: The President spoke at 9:36 a.m. in the Roosevelt Room at the White House. The transcript released by the Office of the Press Secretary also included the remarks of Representative Portman. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks at a Saint Patrick's Day Shamrock Presentation Ceremony With Prime Minister Bertie Ahern of Ireland
March 17, 2005

Taoiseach, thank you very much, and welcome back to the White House. It's—Laura and I are delighted to continue the tradition of accepting the crystal bowl overflowing with shamrocks. It's a wonderful

gift symbolizing Ireland's world-renowned hospitality.

Today is a joyous celebration of the deep friendship between the Irish and the American peoples. The histories and bloodlines of our two countries are deeply intertwined. And that is why, in cities and towns across our Nation, millions of Americans celebrate this feast day of the Apostle of Ireland.

Saint Patrick used the three leaves of the shamrock to illustrate the mystery of the Trinity. The shamrock has also come to represent the unity that people can achieve when they commit themselves to peace and freedom.

In America, we have a phrase for that—it's called e pluribus unum, out of many, one. You'll find that on the Great Seal of the United States, which, by the way, was largely designed by Charles Thompson, a native of Derry.

The hearts of the Irish burn for freedom, and they brought that love for liberty with them to America. The Irish fought in our Nation's War of Independence, and over the past two centuries, they devoted their blood and sweat to defending and building America. When terrorists struck our Nation, the Irish were well-represented among the firefighters and police officers who sacrificed their lives to save others at the World Trade Center. In a great Irish tradition, marines preparing to retake the city of Fallujah prepared for battle to the strains of Lieutenant Colonel Paul Sweeney's bagpipes echoing across the Iraqi plains.

The Irish have a way of turning adversity into opportunity. About a million came to our shores seeking refuge from the great potato famine. Once they came, they built, and they toiled, and they produced. They constructed railroads and great cathedrals. They even helped build the U.S. Capitol. They added to our literature with a genius, with their words. And, of course, a few even entered politics. [*Laughter*]

The Irish talent for statesmanship has been evident on both sides of the Atlantic. And today we're proud to welcome a friend of peace and a friend of freedom, my good friend Bertie Ahern.

Mr. Prime Minister, I want to thank you for your tireless work in the struggle against terrorism on Saint Patrick's Island. I appreciate your leadership. I appreciate your strength of character. I appreciate your vision. It takes courage to work the path—to walk the path of peace. And your leadership, Mr. Prime Minister, is appreciated not only in your nation but in ours as well. As you work for peace, our Government and the American people will stand with you.

Today, America and Ireland are united in many ways. The economies of our two countries are closely tied. We're working together to bring freedom and justice to Afghanistan and the Balkans and other countries that have not known it. We share a common commitment to the values preached by Saint Patrick: Liberty under God and the dignity of all human persons.

Taoiseach, we pay tribute to the role the Irish have played in defending and renewing the ideals that Americans cherish. May our friendship remain steadfast, and may the citizens of both our nations enjoy a happy and blessed Saint Patrick's Day. Welcome back.

NOTE: The President spoke at 10:25 a.m. in the Roosevelt Room at the White House. The transcript released by the Office of the Press Secretary also included the remarks of Prime Minister Ahern.

Statement on House of Representatives Passage of Fiscal Year 2006 Budget Legislation
March 17, 2005

I applaud the House for passing a budget that protects America, promotes economic growth, supports our priorities, and keeps us on track to cut the deficit in half by 2009. It closely follows my budget proposal and reflects our shared commitment to be wise with the people's money and restrain spending in Washington, DC.

Statement on the Theresa Marie Schiavo Case
March 17, 2005

The case of Terri Schiavo raises complex issues. Yet in instances 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. Those who live at the mercy of others deserve our special care and concern. It should be our goal as a nation to build a culture of life, where all Americans are valued, welcomed, and protected—and that culture of life must extend to individuals with disabilities.

Remarks in a Discussion on Strengthening Social Security in Pensacola, Florida
March 18, 2005

The President. Thank you, Governor. Please be seated. Thanks for coming. I am glad to be back under better circumstances. It was my honor to come and represent our Government during what was a terrible tragedy, and that was Hurricane Ivan. I want to thank the mayors of the communities here. I want to thank the base commanders. I want to thank people responsible for helping people get their lives back in order.

I still saw a lot of blue roofs flying in. So I know there's still a lot of work to do. But I—it was such an honor to work with Jeb and Congressman Miller and members of the delegation and the mayors to try to do our duty to get resources to people who need help. And so I want to congratulate the stalwart citizens of this part of the world. I was struck by the devastation. I was pleased by the sense of spirit when we came down here, a spirit that has been manifested in what is obviously an ongoing recovery. But we're still paying attention to you. And again, I want to thank you for your courage.

Before I talk about a big issue, I've got some other things to say. They used to say, "Well, you know, he's got his daddy's eyes but his mother's mouth,"—[*laughter*]—which means I'm about to talk a lot. No—[*laughter*]—I do want to thank our panelists, including my mother. What a great honor that Mom is here. We're going on from here to Orlando. I'm going on to Crawford, and Mom is headed over to work with Jeb on raising money for literacy. And it's—I'm sorry Laura is not with me.

Audience members. Aw-w-w!

The President. Yes, I know. I used to oftentimes—all the time—say she was the country's greatest First Lady. Wait a minute. At least make it a tie. [*Laughter*] I love her dearly. She's a fabulous mom, great wife, and she really is a spectacular First Lady. She sends her best and love to Mom and to the great Governor of the great State of Florida, Jeb, and to you all. She's—I'm sorry she couldn't be here.

Speaking about brothers and great Governors, he's doing a fabulous job for Florida. He's straightforward. He's plainspoken. He does what he says he's going to do. And I think that's important, and it's a good lesson for people who are paying attention to public servants, people who are wondering whether or not it makes sense to run for office. He came into office with his integrity, and he's going to leave with his integrity.

I appreciate Gerald McKenzie and David Sam from Pensacola Junior College. We call them community colleges in Florida and Texas. I can't tell you how important the community college system is to make sure that workers, both old and young, gain the skills necessary to fill the jobs of the 21st century. I am a big supporter of community colleges, as is Jeb, because we understand the community college system is available, it is affordable, and it is flexible. If there needs to be a curriculum change to help people, help employers find workers, help hospitals find nurses, community colleges are able to do so.

I want to thank the Members of Congress for making sure that my community college initiative is funded, not for only the sake of community colleges but, more importantly, for the sake of people who need a skill set to fill the jobs of the 21st century. So I want to thank the Pensacola Junior College folks for being so generous in the hospitality.

I'm traveling with some pretty good company. Besides Mother and Jeb, Senator Mel Martinez is with us today. Senator, thank you. I mentioned him once; I get to mention him twice, since this is his district—Congressman Jeff Miller, doing a fine job. Thanks for being here. And then we've got some folks down from the central part of the State, starting with Congressman Tom Feeney. Congressman, I'm proud you're coming. Thanks for being here. Congressman Adam Putnam—last time I was with Adam was in the middle of an orange grove after one of the other hurricanes hit. As you can see, that orange grove did something to the color of his hair. [*Laughter*]

And finally, we're here with Congressman Ric Keller. Appreciate you coming, Congressman. You don't know this, but you're about to find out that he is marrying Dee Dee Michel tomorrow. Congratulations, and good luck on the wedding. I'm a little surprised you're here with us. [*Laughter*] But we won't tell Dee Dee. We'll tell her you're planning for the wedding.

I want to thank—oh, Congressman Dave Weldon is with us. Dave thanks for coming, a great man, Dr. Dave Weldon. Appreciate you coming, Dave.

I am proud to be here with the Pensacola mayor, John Fogg. Mr. Mayor, thank you, sir; all the State and local officials—I'm working my way through a list here.

There's one other fellow I wanted to introduce you to. His name is Bob Woodard. Bob, stand up for a minute, please. You don't know, Bob—some of you don't—but he was at the base of Air Force One when I landed, because every time I come to a community, I like to herald a soldier in the army of compassion, a volunteer, somebody who has taken time out of his or her life to make somebody else's life better. He is doing something which I think is an important contribution to the future of our country. He is a mentor. He is one of those souls who says—puts his arm around somebody who hurts, somebody who needs love, somebody who needs comfort and says, "I love you," and "What can I do to help you?" I want to thank you for your contribution to the country.

I want to remind you, if you want to serve America, feed the hungry, find shelter for the homeless, find somebody whose heart is broken and help heal it with the love that God has given you. Thank you for what you do.

Before we get to Social Security, I want to say a couple of other points. I want to thank the members of the United States military and those who support the military for not only making this country more secure in the short term but helping make this country secure for generations to come. You see, the more free the world becomes, the more peaceful the world becomes for our children and our grandchildren. And we took some tough decisions in order to protect this country. And by doing so, we have laid the foundation for freedom.

You know, I hope it heartens those who have served and the families of those who have served to have seen the millions of people vote in Afghanistan. Think about what has happened—think about what's happened in that society in a brief period of time. Young girls couldn't go to school under the Taliban because these people were so backward and so barbaric that their view of the—vision of the world was dim and dark. We acted in our own self-interest, admittedly. We said, "If you harbor a terrorist, you're equally as guilty as the terrorist." When the President says something, he better mean it. I meant it. Our military responded. The Taliban is out, but as importantly, the people of Afghanistan are free.

I just talked to Condoleezza Rice on the phone. She just came back from a—she was in Afghanistan, I think, yesterday. She said, "You're not going to believe it, Mr. President. You're not going to believe how hopeful this free society is. You're not going to believe the optimism that these people have, all because they're free." A free Afghanistan is in the interest of the United States of America.

A free Lebanon is in the interest of the United States of America. It's a good sign when millions feel comfortable going to the street without Government reprisal to express their opinion. In order for there to be a free Lebanon, Syria must remove all the troops and all the intelligence services in order to let these people vote in free society—in freedom, without fear.

I believe there will be a Palestinian state based upon democratic institutions, and I know it's in Israel's interest and in the Palestinians' interest for there to be two states, two democracies, living side by side in peace.

And then, of course, one of the most amazing events—at least as far as I was concerned, from my perspective—is when over 8 million Iraqis, in complete defiance of people who were trying to prevent them from going to the polls by creating incredible fear—they said, "You're not going to stop us. We long to be free." And they went to the polls sending a clear signal, not only the terrorists in Iraq but to freedom-lovers around the world, that freedom is a powerful force, and when unleashed, it will continue its march.

Over the next 4 years, this administration will work to free people—will work with our friends and allies to promote freedom, because I understand free societies will be peaceful societies, and the more free the world is, the more peaceful the world will become. And people will look back at this moment of history and say, this generation, those of us given the honor of service will have done our duty to spread freedom and peace around the world. Freedom is on the march, and I want to thank the military folks and their families for helping make it happen.

Our economy is recovering; it's doing well. I'm proud of the fact that the great State of Florida has got a 4.3 percent unemployment rate. It says something about your Governor. No, he's right—he just waved me off, kind of like trying to hit a carrier. [*Laughter*] He's right. Not because of him, not because of me, because of the entrepreneurs of Florida, people who

are willing to take risk, be wise about spending capital, and employing people.

No, the economy is fine. There are some dark clouds on the horizon that we've got to address. We got too many lawsuits. I want to thank Congress for getting a class-action bill to my suit—my desk. We need to get medical liability reform done in the United States Congress in order to keep good doctors practicing medicine.

There's a lot of things we can do and will do. I'm looking forward to getting a final budget to my desk that's wise about how we spend your money, that's also wise about making sure you got money in your pocket. And you're going to need it because, unfortunately, energy prices are going up. And I know you're concerned about it, and I'm concerned about it too. I was concerned about it in 2001, when we put together a strategy, an energy strategy, part of which required action by the United States Congress that would encourage conservation, encourage the use of renewable sources of energy like ethanol and biodiesel, that encouraged research and development to figure out better ways to use energy in the long run—because one of these days, we're going to have to change the nature of the automobile by driving hydrogen-powered automobiles, to become less dependent on sources of energy. In other words, there's a lot of things we need to be doing now.

I know we need to be building LNG, liquified natural gas, terminals. We need to do more on nuclear power. Congress needs to get an energy bill. We've been debating whether or not there ought to be an energy bill to my desk now for 4 years. And that's too much talk, given the fact that consumers are beginning to hurt, too much talk given the fact that the—we're too dependent on foreign sources of energy. I'm concerned about the energy, and Congress needs to be concerned. These Members are concerned. I talked to them on Air Force One about it. I can be a plainspoken fellow if I need to be. [*Laughter*] And they're good listeners. They're ready to go. But Congress needs to get a bill to my desk so we can start becoming less dependent on foreign sources of energy.

Let me talk about Social Security. Jeb is right. We don't need to talk about it. Some people say, "You shouldn't have talked about it." I think the job of a President is to confront problems and not pass them on to future Presidents. And I'm pleased to report Members from the United States Congress that are traveling with me agree that Congress needs to confront problems and not pass them on to future Congresses.

And we got a problem in Social Security. Let me first tell you, Franklin Roosevelt did a good thing by setting up a safety net for seniors. And I applaud him for that. And a lot of seniors who are now getting their checks understand why I'm applauding him, because the Social Security check you receive is really important for you. And—but things have changed since Franklin Roosevelt was the President.

Before I tell you what's changed, I'm going to say this once—I may say it 5 times before this is over: If you're getting a check, nothing is going to change. I don't care what the propaganda says. I don't care about the political rhetoric. You're going to get your check. For those of you born prior to 1950, you're going to get your check. The Government—nothing will change in the system. We're here to talk about not you—we're here to talk about your children and your grandchildren. That's who we're here to talk about.

And I'll tell you why we've got a problem. First of all, Social Security is a pay-as-you-go system; money comes in, and it goes out. Now, some of you might think that Social Security is a trust. In other words, the Government takes your money and holds it for you, and then when it comes time to retire, you get your money back. That's not the way it works. The Government takes your payroll taxes and pays

out to the people who have now retired, and if they got any money left over, it goes to pay other parts of Government. And all that's left is an IOU from one part of Government to the next. In other words, it's pay-as-you-go.

And that system works well when you got a bunch of workers paying in for a few beneficiaries. That's the way it was when Franklin Roosevelt designed the system. In 1950, there were 16 workers paying into the system for every beneficiary. So obviously, the load per worker is pretty light. What's changed is there is a bulge of people fixing to retire called the baby boomers. Both of us are——

Governor Jeb Bush. Both of us, yes, sir.

The President. Yes. [*Laughter*] We are baby boomers. I happen to be turning eligible at—obviously, at age 62 in 2008. It's quite convenient. [*Laughter*] Did you plan it that way? Well, thank you. And there's a lot of us. There is a bulge in the population. And not only there's a lot of us, we're living longer than during the time when Social Security was first fixed. And we're living longer than the generation preceding us. So you got a lot of people getting ready to retire who will be living longer, and not only that, we've been promised more benefits than the previous generation. People have run for office saying, "Vote for me; I'm going to make sure the benefits increase." And so you've got a lot of people living longer, getting greater benefits, and yet we're not having as many children in this society. In other words, you got fewer people paying into the system. The math doesn't work.

It works for those who've retired. Second time I've said it—if you're getting your check, you have nothing to worry about it. It doesn't work for people who are going to have to pay for the baby boomers like me who will be living longer, getting more money. And so the fundamental question is: If you see that problem, what are you going to do about it? And so the first thing I want to tell you is, we have got a problem.

And the extent of the problem can be seen on this chart. In 2018, there's more money going out than coming in. Right now, because the baby boomers haven't started retiring—who will be living longer, receiving more money—there's more money coming in than going out, which is being spent. Pretty soon, there's going to be more money coming out than going in. In the year 2027, there will be $200 billion beyond the payroll taxes necessary to pay for the promises the Government has made. It increases every year, see. In 2018, it starts going negative—increases, increases, increases—to give you an extent by how much—by 2027, it's 200 billion, greater than 200 billion the next year, greater than the next—you know.

And so it starts to accumulate, which says to me that we have a problem that we need to address now. Because if you wait later, a younger worker is either going to have pay massive payroll taxes in order to make sure the Government pays the benefits; they're going to have to cut my benefits; they're going to have do—borrow a ton of money. In other words, now is the time to act. We do—have no problem for those of you who are receiving your check. We have a problem for your children and your grandchildren. And the problem is right there in the cash deficits in a pay-as-you-go system.

And so I've taken it on. I think this is my 16th State. I'm traveling all around the country, which I like to do—it's a convenient excuse to get out of the Nation's Capital—[*laughter*]—and I'm explaining to people: You're going to get your check, and we've got a problem.

And I think there's some logic to the strategy, because, listen to this: If you're a Member of Congress, and all of a sudden the constituents start to say, "We've got a problem, Mr. Congressman or Madam Congressman." The next thing they're going to say is, "What you going to do about

it?" And once we can convince the seniors they have nothing to worry about, which they don't, the fundamental question for them becomes—from a lot of younger Americans, "I'm glad you're taking care of my grandparents or my dad or my mom, but what are you going to do for me?" And that's the dynamic that's going to get people coming to the table.

In order to help them come to the table, in my State of the Union Address, I said, "I really want people to bring ideas forward. Please bring your ideas forward. There will be no political retribution if you bring good ideas forward," because I understand this is going to require Republicans and Democrats coming to the table—precisely what the American people want, by the way. They want people to fix it, not to play politics with it.

So all options are on the table. The other day, I was with a former Democrat Congressman named Tim Penny—Tim Penny, who had some interesting ideas. My predecessor, President Clinton, recognized we had a problem; he put some ideas on the table. And so I'm looking forward to people from both parties coming up and saying, "Mr. President, here are some of my ideas." And my answer will be, "Welcome. Thanks for bringing them forward. Let's just see if we can't work together to get something done."

I've got some ideas, and I want to share one of them with you, which I think—I hope you find interesting. And first of all, by the way, as Congress brings ideas, I'm not interested in a temporary fix, and neither should you be. I want you to remember 1983. There was a—President Ronald Reagan and Leader Dole and Speaker Tip O'Neill realized we had a problem, got Republicans and Democrats together, and came together and said, "We'll put together a temporary fix." This is the so-called 75-year option. And I like the spirit of people coming together. I like the idea of people saying, "We've got a problem. Why don't we fix it in a bipartisan way?" The only problem is, the 75-year option wasn't exactly right, because today is a lot less than 75 years from 1983. And so when you hear the—"Don't worry. We'll just fix it for 75 years," the way the demographics are, the math just won't let that happen. So now is the time to have a permanent solution.

And as they do the permanent solution, we also have got to work, in my judgment, to make sure individual workers get a better deal from Social Security. And the better deal would be allow—in my judgment, again—to allow younger workers to take part of their own money. See, when you hear "payroll taxes," that kind of sounds like it's the Government's money. It's not; it's your money. And I want you to know I understand that—that you ought to take some of your own money and be able to save it in bonds and stocks.

And the reason why I think you ought to be able to do that is because a mix of conservative bonds and stocks will get you a better rate of return on your money than that which you're going to get inside the Government. And that's important, because if you're a young worker, interest compounds—or if you're an old worker—interest compounds. But the longer you hold money, compounding, the more you'll end up with. It grows. And the greater rate of return you get on your money, the more you'll have when it comes time to retire.

So the idea is, as a part of a Social Security system, allow you to take some of your money so you can build a nest egg of your own. I like the idea of people building nest eggs. I think if you own something, you're likely to have a more vital stake in the future of the country. One of the most heartening statistics, I think, in today's world is more and more people are owning their own home. More minority families own a home today than ever before. That's heartening, I think. I tell people, I love the idea of somebody opening up the door to their house and say, "Welcome to my

home. Thank you for coming to my piece of property."

I think the fact that more and more people are owning their own small business is helpful. I know it's going to be helpful to have more people owning a piece of their own retirement account and managing it.

Now, a couple of things about personal accounts. One, I've told you about the compounding rate of return. Just to give you an example: If a person were allowed to take 4 percent of their payroll taxes, or a third of the payroll taxes, and set it aside in a personal account, starting at age 21, and that person earned $35,000 over her—his or her lifetime, that by the time she can retire, that money set aside would be worth $250,000, as a nest egg. In other words, that's compounding rate of interest will do that. Obviously, if you make 70,000 over your lifetime, it's double that. Then you have a half a million dollars that you can call your own.

So what can you do with that? Well, first, I know some people get nervous about investments. We're going to talk about investments here. You can't take your money and put it in the lottery, let me put it to you that way. In other words, a personal account doesn't give you latitude to—you know, you still got jai alai here? Yes. Okay, you can't go to a jai alai deal. [*Laughter*] You've got to invest it in a conservative mix of bonds and stocks, just like Federal employees do now.

Any Federal employees understand what I'm talking about, the Thrift Savings Plan? It works. We're going to talk to somebody who's got a piece of the Thrift Savings Plan. This is happening. This isn't—I didn't sit here and invent this. This is taking place already at the Federal level. People who work for the Federal Government get to take some of their own money and set it aside in a conservative mix of bonds and stocks because the Government realizes you get a better rate of return on your money. If it's good enough for Federal employees, it seems like to me it ought to be good enough for people who are working, you know, who aren't working for the Federal Government. [*Laughter*] That was not a cheap shot at people like me working at the Federal Government. [*Laughter*]

Secondly, you'll get the check from the Federal Government in the Social Security system if you're a younger worker. I just can't guarantee how big it's going to be. You know, there's not enough money to pay the promises, I'll just tell you that. I think that's—part of the dialog is to make sure everybody understands. It's not a trust, and we're not going to be able to keep the promises unless we're willing to have extraordinarily high taxes on the people coming up, or significant benefit cuts.

And so one way to help you do a better job of coming closer to what the Government has promised is to allow you to earn this money and then use it as a part of a retirement plan. In other words, the Government is going to get you a check, and then you're also going to be able to take money out of your own personal account to help you when you retire. That's important for you to know.

The system is not fair for people, oftentimes. Somebody dies early, been working 30 years, dies at 55 years old; money goes in the system. The spouse doesn't get a dime until he or she turns 62. That doesn't seem fair to me. Does it to you? In a personal account, if you had one of those and your assets were growing and you passed away, you could leave it to whomever you want. There would be some comfort for the spouse. Two people working, a husband and a spouse; husband predeceases the spouse; she continues to work. She's either going to get, at 62 years old, her own Social Security check or survivor benefits, which is ever larger, but not both. That doesn't seem fair, does it? Somebody is working all their life; the money they put inside Social Security is not available for somebody he or she loves. If you have your personal account, it grows.

You die, your wife or your husband is going to get your personal account—or your children.

I like the idea of encouraging savings. For those of you who studied macroeconomics—it's a fancy word for how to make sure the economy grows—the more you save, the more capital there is; the more capital there is, the more money is available for small-business expansion, so people can work.

So we need to encourage savings. I like the idea. I'm telling you, I like the idea. I'm going to talk a lot about it. I'm going to talk to others about the idea too. It needs to be a part of the dialog. And it's interesting, you know, we're not talking about a big cultural shift here. When I was coming up, I don't remember my mother telling me to be careful about my 401(k) plan. They didn't exist, I don't think. There wasn't a lot of focus on encouraging people to manage their own money. Today, that has changed. There's a lot of young Americans, Americans from all walks of life, Americans from all income levels, Americans from all neighborhoods who understand what it means to have a 401(k), an IRA, a defined contribution plan. And they like it, and they're used to it, and they're comfortable with it.

And so I want Congress to consider making this same kind of culture available for workers through the Social Security system, to strengthen the system, to say to younger workers, "It's a better deal for you," to be able to assure grandparents that when it comes to their grandchildren, the safety net that was available for them will be available for the new generation coming up.

And so now I'm going to talk with some other people about it, starting with my mother. I promised not to tell you her age, but she's eligible for Social Security. [*Laughter*]

Former First Lady Barbara Bush. How old are you? [*Laughter*]

The President. Fifty-eight. How about that?

Former First Lady Bush. Add 22 years. [*Laughter*]

The President. Yes.

Former First Lady Bush. You're supposed to ask me why I'm here.

The President. Okay. First of all, I now know why I'm getting white hair. [*Laughter*]

Former First Lady Bush. I'm here because when else can I see my two oldest boys? [*Laughter*]

The President. How about a little better answer than that, will you?

Former First Lady Bush. That's reason number one.

The President. Now, wait, it's not, how can I see my two better boys, it's how can I tell my two better boys in person what to do, is what you're really trying to say. [*Laughter*]

Former First Lady Bush. Right, right. If you would listen, I'd tell you more. [*Laughter*] But that's really not why I'm here. I'm here because your father and I have 17 grandchildren, all born after—we're doing our part, incidentally, on the labor—[*laughter*]—but all born after 1950. And we want to know, is someone going to do something about it. That's the whole reason—other than seeing my boys.

The President. Well, I'm glad you're here, Mom. And yes, I hope you can tell—I think you will be able to tell—and I think others like Mom, who are worried about whether or not Government even cares about taking on a tough enough issue to address the issue for grandchildren, whether or not there's a will. You'll see. I think you'll see by the time this is over that there is an interest and a desire, a willingness to take on a tough issue, just like you taught me, not to shirk my duty but to step up and lead and to do—do the hard work.

And it is. Listen, I concede, Mom, that Members of Congress, some would rather not be talking about it. But we're going to talk about it, and I'm going to assure you—I've got your stubbornness—that I'm going to—in a good way—I'm going to keep talking about it until something gets

done. I'm going to keep traveling the country saying to people, "We've got a problem. If you're a senior, you're going to get your check," and I'm willing to work with Congress. And I'm going to tell you, I—the people of this country are tired of partisan bickering on big issues. They don't want people—they just want the problem solved.

We've got Lee Abdnor with us. She is—she's from Boulder, Colorado. Is that true still?

Leanne Abdnor. Yes, sir.

The President. Listen, I want you to know, I formed a committee in 2001 of Republicans and Democrats to look at Social Security. And Patrick Moynihan, a former Senator from New York, headed it. Isn't that right?

Ms. Abdnor. That's right.

The President. And Lee's on it. Okay, let her go. She studied this.

[*At this point, Ms. Abdnor, president, For Our Grandchildren, Boulder, CO, made brief remarks.*]

The President. Thanks for coming, Lee. Thanks for serving. It was——

Ms. Abdnor. My pleasure.

The President. Let me ask you. I think it's important for you to understand that those who served on the committee were good thinkers, all walks of life, and represented both political parties, and they came together with some ideas. I think there was a couple of ideas that I think are very interesting. We've sent them up to Congress, of course. One of the interesting points that came out of there—and it's very important for people to understand—is that you can design a system to make sure that low-income Americans—that the system is progressive, which is a good idea. Pozen is the man that you served with, I think.

Ms. Abdnor. Yes, he was one of the ones.

The President. He floated a really interesting idea that I hope Congress takes a look at, which is to make sure that the lower income Americans are treated in a way so that—that when people retire they're as taken care of as well as can be, that the safety net is truly a safety net. It makes sense. And so you can structure a system so that we're—make sure that we're taking care of the low-income people better.

And my only point is Lee's committee had a lot of really good ideas out there. I like the spirit of how they met. They didn't show up and say, "I'm not going to listen to your idea." They showed up and said, "Bring your ideas forward." And as I said, Senator Daniel Patrick Moynihan, who was a fine, fine United States Senator from New York, a Democrat, was able to coax good ideas out. So thanks for the spirit.

Ms. Abdnor. Exactly, and Mr. President, I think one of the things that was most gratifying was that even in private, we never talked about politics, not once in all of those months. All we talked about was policy, what's the best way to go forward, how would certain people be helped, how would certain people be harmed by different ideas or by doing nothing.

The President. Well, I appreciate you.

Andrew Brown is with us.

Andrew Brown. Yes, sir.

The President. Where you from, Andrew?

Mr. Brown. I'm from Bay, Arkansas. It's a small town, about 2,000 people, in northeast Arkansas.

The President. That's 3 times more than Crawford. [*Laughter*]

Mr. Brown. Yes, sir.

The President. Good. Did you—are you educated?

Mr. Brown. Well, I graduated from the Naval Academy last year, sir. [*Applause*]

The President. Awesome, yes. [*Applause*] Figured that would get a nice round of applause here in Pensacola.

Mr. Brown. Yes, sir, and I came down here last summer to begin flight school at Pensacola.

The President. Good, yes. How is it going?

Mr. Brown. It's going really well.

The President. No crashes?

Mr. Brown. No crashes, yet. [*Laughter*]

The President. That's good. It sounds positive. [*Laughter*]

Mr. Brown. Yes, sir. And I'm just really enjoying that and looking forward to getting my wings in a couple of months and getting out and doing it for real.

The President. Congratulations. Thanks for serving. Other than making sure the Commander in Chief knows you're about to get your wings, why are you here? [*Laughter*]

Mr. Brown. Yes, sir. Social Security kind of concerns me a little bit. I don't really foresee that it will be around for my generation.

The President. Let me stop you. This is not the first time I have heard this, "I don't think it's going to be around for my generation." Congress needs to hear this. Go ahead.

Mr. Brown. So I invest my money mostly in a Roth IRA. I think that's a great way to invest money. And I applaud Congress for upping the limits there, letting people do more with their money. And I also invest in the Thrift Savings Plan.

The President. Explain to people what that means, invest in a Thrift Savings Plan. I think some out there listening may not be sure what the Thrift Savings Plan is. It sounds sophisticated. It sounds unmanageable.

[*Mr. Brown made further remarks.*]

The President. Who decides where the money goes?

Mr. Brown. I decide where the money goes. The percentile breakdown, I decide.

The President. The people who are running the Thrift Savings say, "Here's five different options for you," kind of a different mix and risk and return, I guess.

Mr. Brown. Yes, sir, ranging from international——

The President. Which one of them is not the lottery, I want you to know. [*Laughter*]

Mr. Brown. Yes, sir. And so I've enjoyed being able to put more money aside and grow tax-free through the Thrift Savings program that wouldn't be covered under the Roth.

The President. And how often do you get a statement?

Mr. Brown. I check all mine online, sir.

The President. Oh, you do? [*Laughter*] Don't worry about making the Commander in Chief look technologically incompetent. [*Laughter*] Private. Anyway—[*laughter*].

Think about this. I just want you to listen to what he said, he checks about it online. He watches his money grow. Some people get monthly statements. They watch their money. There's nothing better in a society than to have people concerned about their assets. That's what ownership does. It's yours. Nobody can take it away.

The other thing is, is that when you hold money over a long period of time, there is a predictable rate of return depending upon the risks you take. And there's ways to design programs so that the closer you get to retirement, if the markets were to happen to go down, you're able to get your money, see? That's what's important for people to understand. And obviously, you feel comfortable doing it.

Mr. Brown. Yes, sir, I'm very pleased with the Thrift Savings Plan.

The President. Good. See, he's a Navy pilot, risktaker, and manages his own money. [*Laughter*] Thanks for coming, Andrew. I appreciate your concern.

Mr. Brown. Thank you, sir. It's an honor.

The President. Thanks for serving. By the way, somebody one time told me they saw a survey that said people like Andrew, people Andrew's age think it's a lot more likely they'll see a UFO than to get a Social Security check. [*Laughter*] May be right.

With us is Dr. Ron Guy, age 58 years old.

Ron Guy. Yes, sir, same age.

The President. Welcome.

Dr. Guy. Thank you, sir.

The President. Leading edge of the baby boomers.

Dr. Guy. Yes, sir.

The President. What do you do?

Dr. Guy. Presently, sir, I do financial strategies, working with a great group of partners at Guernsey and Associates. There are 15 of us that help people plan their life, from wherever they are to age 100. And we look very closely, sir, at Social Security.

The President. What happens if they're 101? You can help them on that too?

Dr. Guy. Okay, we can do that, too, sir.

The President. Okay, good. So give me—this is his field, right? You understand pay-as-you-go; you understand all the terms we're using; you understand Thrift Savings Plans, internal rate of returns—let her go.

[*Dr. Guy made further remarks.*]

The President. Thank you, sir. Appreciate you. Let me—one of the interesting things about investing—when you think of investors, you think of a certain kind of person, and I don't view that—I'm sure you don't either. You work with people from all walks of life. I mean, everybody has got a chance to be an—should have a chance to be an investor. Investing is not limited to a certain class of person. That doesn't make any sense. And yet I think that's the attitude of some, you know, "We can't let certain people, maybe, invest their own money. Maybe they don't know how to do it."

I'm kind of leading you on here, but give me a sense for how hard it is for people to figure out how to invest their money in a prescribed set of bonds and stocks.

[*Dr. Guy made further remarks.*]

The President. Well, good. See, financial literacy. By the way, one of the interesting things we've done is we've encouraged the faith-based community to take on the idea of educating people in financial literacy, so that we can make sure financial literacy is able to permeate all neighborhoods in our society. People will be comfortable with this. This is something that is happening, by the way, already without Government, of course. Defined contribution plans exist throughout all society right now, Thrift Savings accounts, IRAs, 401(k)s.

The reason I keep emphasizing that is when I talk about a savings plan for individuals, it's happening. And the question is, do we have the wisdom to extend this kind of savings plan to the Social Security system to allow younger workers—this isn't going to—you don't have to worry about me and—we just don't have to worry about it. The system is fixed if you're born before 1950. It's not going to change one iota. The question is, do we listen to younger workers? Do we fit the plan in to meet the current culture, and do we give them a better deal? Do we try to make the system on an individual basis?

I told the—[*inaudible*]—that these accounts do not permanently fix Social Security. We're going to have to do other things. They are part of a Social Security fix that will help the individual worker.

Now, I'm going to talk to Myrtle Campbell. Myrtle, put that mike up there.

Myrtle Campbell. Yes, Mr. President.

The President. Thanks for coming. I came all the way to wish you a happy birthday for your birthday next Sunday—isn't that right?

Mrs. Campbell. Yes. Thank you, Mr. President.

The President. Myrtle Campbell is here, and she brought somebody with her. Who did you bring with you?

Mrs. Campbell. I brought my granddaughter, Mary Beth Roberts.

The President. Very good. We'll start with you, if that's all right.

Mrs. Campbell. With me?

The President. Yes. Do you receive a Social Security check?

Mrs. Campbell. Yes. And for 82 years, that amounts to a lot of checks, you know. And it has come in real handy, and I would hate to part with it. [*Laughter*]

The President. Yes, you count on it.

Mrs. Campbell. Yes.

The President. I want you to know, Myrtle, I understand a lot of people count on their Social Security check. I mean, it's a really important part of a lot of people's lives. Some people count only on their Social Security check, and therefore, one of the issues in talking about this is to make sure we don't frighten you. Seriously—we don't want people to feel like the Government is fixing to make sure that the check she counts on is diminished or goes away. And I understand. I fully understand that. And that's why I'm spending a lot of time talking about it, because I understand that sometimes there's another message getting out there.

I can remember in 2000, they said, "If old George W. gets elected, he's going to take away your check." I got elected, so in the 2004 campaign it didn't quite work because people did get their checks.

Keep going. Are you worried about it?

Mrs. Campbell. I'm not worried about it, no. I am concerned, however, for my grandchildren and what's coming up for them and how their livelihood will be, what's due for them.

The President. How many have you got, how many grandchildren?

Mrs. Campbell. I have nine grandchildren, and I have a whole slew of students throughout the United States that I'm concerned about as well.

The President. You're a teacher?

Mrs. Campbell. I'm a Bible teacher.

The President. Great, thanks.

Mrs. Campbell. I'm a volunteer.

The President. Volunteer, very good. That's fantastic.

Mrs. Campbell. I was concerned with children, like your mother. [*Laughter*]

The President. Yes.

[*Mrs. Campbell made further remarks.*]

The President. Well, I appreciate you. Thank you for sharing that with us, Myrtle. And I want you to introduce your granddaughter to us.

Mrs. Campbell. Well, this is Mary Beth Roberts. She's the daughter—one of the daughters of my daughter.

The President. One of the daughters of your daughter.

Mrs. Campbell. Wanda Roberts.

The President. That's good. Three daughters?

Mrs. Campbell. Three.

Mary Beth Roberts. They're over there.

Mrs. Campbell. She has five.

The President. You got all the sisters here?

Ms. Roberts. Yes.

The President. Fantastic. Oh yes, I see them over there.

Ms. Roberts. My little brother right there, too.

The President. Brother? Fine-looking lad. [*Laughter*] Boyfriend?

Ms. Roberts. Right next to him.

The President. Yes, got it. [*Laughter*] I picked him out. Didn't mean to embarrass you.

Ms. Roberts. It's okay.

The President. Although, Mary Beth, before we came on, said, "Make sure you introduce my boyfriend." [*Laughter*] Just kidding.

Ms. Roberts. That's all right.

The President. So what do you do?

Ms. Roberts. I am currently a college student at the University of West Florida, majoring in public relations.

The President. Fantastic. Good. Good. How's it going?

Ms. Roberts. I'm sorry?

The President. How's it going?

Ms. Roberts. It's going wonderful. I'm having a great time.

The President. Actually, you took some classes here, right?

Ms. Roberts. I did. I attended Pensacola Junior College and got my general education here.

The President. Good. Good job.

Ms. Roberts. Love it, too.

The President. Major?

Ms. Roberts. Public relations and advertising.

The President. Here's your chance. [*Laughter*]

Ms. Roberts. Appreciate that.

The President. Yes, no problem. [*Laughter*] So your grandmother says she's worried about her grandchildren—a safety net for her grandchildren when they retire. Do you share that same concern?

Ms. Roberts. I am extremely concerned. I'm pretty young. I'm 21, and I have a feeling that——

The President. Pretty young? [*Laughter*]

Ms. Roberts. I'm a baby.

The President. You're really young. Younger and younger every year. [*Laughter*] Go ahead.

Ms. Roberts. So by the time that I am a senior citizen, I'm sure Social Security will have been long gone, so I'm very concerned.

The President. Yes, it's important for 21-year-old people to pay attention to this issue. If it doesn't get fixed, the bill is going to be huge. That's what you've got to understand if you're 21 years old. You know, they always say, 21-year-olders don't pay attention to politics or issues. I don't know if that's the case.

Ms. Roberts. I pay attention, Mr. President.

The President. That's good. [*Laughter*] Give me a chance—and by the way, personal accounts are voluntary. In other words, I'm not going to say—the Government isn't going to say, "You have to do this." I believe in saying to somebody, "If you choose to do this, you can do it. You don't have to do it." If given that opportunity—I'm maybe a little premature, but if things go right, you may be given that opportunity pretty quickly.

Ms. Roberts. I hope so.

The President. So what would you—do you have any sense for whether or not you would opt to decide to take some of your money aside and put it aside in an account?

Ms. Roberts. I would definitely take that option.

The President. Really? It doesn't frighten you?

Ms. Roberts. Not at all. It actually would be encouraging to know that I will definitely get that when I do retire so I have something to count on.

The President. Yes. A nest egg.

Ms. Roberts. That's right.

The President. The other thing I think is important is to be able to pass—for Mary Beth to be able to pass her money on to whomever she chooses. I think that would be beneficial for society to have more assets accumulate and to be able to have kind of a generational transfer of assets. I think it would be beneficial for people from all walks of life. I really do. I think it's a concept that's an important concept, the idea of passing property on to whomever you choose, the idea of accumulating property.

If she starts, by the way, she's going to do quite well. It sounds like she's going to make quite a good living and set aside money and put it away, conservative bonds and stocks. And it grows. It compounds.

I want to repeat another point. The money she'll get in her account, the return—rate of return on a conservative mix of bonds and stocks will be greater than her money will be earning in the Federal Government. And that's an important difference, particularly for a 21-year-old investor, over a period of 41 years. That money grows.

And so I'm glad you're interested.

Ms. Roberts. Yes, sir.

The President. My—then my advice to you, everybody else, people watching, is write your Senators and write your Congresspeople. Let them know you're concerned. Let them know you're interested in people coming together to solve this problem to save Social Security for generations to come.

Thanks for coming. Thanks for your interest. God bless.

NOTE: The President spoke at 9:01 a.m. at Pensacola Junior College. In his remarks, he referred to Gov. Jeb Bush of Florida; Gerald McKenzie, member, board of trustees, and David Sam, vice president of academic affairs, Pensacola Junior College; Mayor John R. Fogg of Pensacola, FL; former Representative Timothy J. Penny, senior fellow and co-director, Hubert H. Humphrey Institute Policy Forum; former Senator Bob Dole; and Robert C. Pozen, chairman, MFS Investment Management. The Office of the Press Secretary also released a Spanish language transcript of this discussion.

Remarks on Strengthening Social Security in Orlando, Florida
March 18, 2005

Thank you all for coming. Thanks for coming. Please be seated. Thanks for being here. Go ahead and be seated. Now. [*Laughter*] Thanks for the warm welcome. It's great to be back in central Florida. Thank you all for taking time out of your day to come by and let me discuss with you some important topics.

But before I do, I'm proud to be introduced by one of my favorite seniors—[*laughter*]—okay, my favorite mother. [*Laughter*] She is—I told them earlier in Pensacola, if you're trying to figure me out, like the woman who walked up to me when I was campaigning for Governor of Texas, you should say, "You got your daddy's eyes but your mother's mouth." [*Laughter*] Which is a compliment. [*Laughter*]

Earlier today we were with the great Governor of the State of Florida. We're both proud of him. More importantly, we both love him dearly. He is a great man, and I'm proud of the job he's doing for Florida. I know you are as well.

I said, "Mother, we're going to be talking about Social Security." She said, "Fine. Don't tell anybody my age." [*Laughter*] I said, "I won't, but can I tell them you were at least born before 1950, so you don't have anything to worry about when it comes to getting your check?" She said, "Fine."

Mother and I just came from the Life Project Senior Development Center in Orlando, Florida. I went there to look at some—tell some seniors that I wanted them to know with certainty that nothing will change when it comes to their Social Security check, that they will get the check that the Government has promised. And that's important for them to hear, because I understand a lot of people rely on a Social Security check. Right there is one. [*Laughter*] I don't know if "Amen" was the proper response, but nevertheless. [*Laughter*] "Yo" is better, yes. [*Laughter*]

A fellow walked up to me—I'm finding this to be the case in a lot of my travels—he said, "I'm glad I'm going to get my check. What about my grandchildren?" And that's what I want to talk to the people—to you today about, making sure the seniors' grandchildren and their great-grandchildren have the same safety net that today's seniors receive from the Social Security system.

Before I do, first I—Laura sends her best. Up until this very day, I have always said that Laura Bush was the Nation's greatest First Lady. And then I had to modify my position. [*Laughter*] Would you go for a tie? [*Laughter*]

I'm traveling from Washington to Florida with some fine Members of the United States Congress from the great State of Florida. Florida Senator Mel Martinez is with us today. The Congressman from this district, Congressman Tom Feeney, is with us today.

Congressman Ric Keller is with us today. Can I tell them? Yes, I'll tell them. Keller has got an interesting way about him in this way: He's getting married tomorrow. Isn't that great? Yet he's spending the day with me. [*Laughter*] So he's marrying a patient person. [*Laughter*] But I wish Ric all the best.

Congressman Adam Putnam is with us today. And finally, Congressman Dave Weldon is with us today. I appreciate you coming, Dave.

Mayor Rich Crotty is with us. You might remember the mayor—[*applause*]—wait a minute, you might remember the mayor, Tyler's father. [*Laughter*] I said to Crotty, "Where's Tyler?" You're not going to believe this: He's in Washington, DC, today. [*Laughter*] One way to avoid a speech is to get out of town. [*Laughter*]

I appreciate the Y for letting us come by. Jim Ferber, I'm honored that you let us come by and use your facility. I'll tell you something interesting that takes place here, which I didn't realize until I got here, was that this is more than just a Y—than the Y that I used to think about. This is an education center. How about this idea for people: The YMCA partners with and houses Northlake Park Elementary School. Pretty interesting concept, isn't it? It seems like to me it would be a wise use of assets—make sure taxpayers' money goes well and also provide a great place for kids to not only learn, but to learn how to take care of their bodies.

I don't know if you know this, but Congressman Weldon is a doctor, and he and I were discussing on Air Force One, what can we do as Government officials to encourage people to make right choices with their body, eat good food, and exercise? I mean, we've got to make sure that children understand that it is important to be wise about the food you eat and, at the same time, understand the importance of exercise in order to make sure that they're healthy when they come up, that they're—that when they get older—kind of like me—they're healthy. Now is the time to encourage people to have preventative—choices in life to prevent illness. It seems pretty cool to have the elementary school and the Y educating the mind as well as training the body in the same building. So I congratulate you for your wisdom and your foresight and wish you all the very best.

I want to thank the teachers who are here. [*Applause*] Yes. I know I speak for Mother when I say this, and certainly Laura: We appreciate you teaching. It is a noble profession. Sam Houston was my predecessor as the Governor of Texas, by the way, and they asked him—he was a United States Senator from Texas; he was a Congressman from Tennessee; he was the Governor of Texas; he was the President of the Republic of Texas—that was before we became a State. And they said, "Of all those jobs, which one did you like the best?" Without hesitating, he said, "Teacher." It's a noble profession. So thanks for teaching. I also want to remind the moms and dads who are here that a child's first teacher is a mom and a dad, that you have the responsibility to be the first teacher, to make their job easier.

Sam Beard is here—where's Sam? Oh, Sam, thanks for coming. Sam is a, I think it's safe to say, a Democrat, which is fine. [*Laughter*] He is a—but what I think you'll find interesting is, in 2001, I created a Commission to look at the Social Security issue. And there were eight Democrats and eight Republicans on the Commission. The Commission was headed by former Democrat, United States Senator Daniel Patrick Moynihan from New York, one of the really fine, distinguished public servants. We attracted some really bright people like Sam to serve on the Commission. They came together to talk about the Social Security issue, which I'm about to talk about as well. They did so in the spirit of what is—trying to figure out how to solve a problem, not how to promote a political party.

And I want to thank you for serving, Sam. You came up with some great ideas. And I urge the Congress to take the same spirit that the—adopt the same spirit that the Moynihan Commission did, to serve this country without trying to foster a party, but serve the country to come up with problems so that a younger generation of Americans will be able to say, when it's all said and done, we did our duty to make sure the safety net for Social Security exists for them like it does for today's seniors. So thank you for being here, Sam. I appreciate you coming.

A couple of other things I want to talk about before we get to Social Security. Today I met Betty Haggard. She is a volunteer. She works for Citizens on Patrol for the Seminole County Sheriff's Office. I want to thank Betty for the example she sets. The reason I like to bring up people who volunteer is because I want to remind you that a great way to serve our country is to feed the hungry, find shelter for the homeless, mentor a child, teach somebody to read, put your arm around somebody who hurts, help heal a broken heart, and you do that by volunteering. You do that by taking time out of your life, and when you do, you make America a better place.

We're living in exciting times. I'm—I fully understand that the actions we take abroad and the actions we take at home will set the course of events for a half-century, at least. That's how I think about public policy. We're laying the foundation for freedom. That will mean that your children and grandchildren can grow up in a peaceful world. The object of this administration—the objectives of this administration—is to, first and foremost, defend our country. But I understand, in the defense of America—the long-term defense of America will be suited by the spread of freedom.

Free societies are peaceful societies. I believe that deep in everybody's soul is the desire to live in a free society. It doesn't matter your religion or where you're from. And I believe that because the Almighty God's gift to every man and woman in this world is freedom. This isn't bestowed by America; this is bestowed by something greater than America. And if you believe that and if you understand that freedom leads to peace, then it's got to be the central policy of the United States to work with friends and allies to spread freedom. And it's happening.

I mean, if you think about Afghanistan, for example, particularly for the young here, it wasn't all that long ago that people in Afghanistan lived under the brutal reign of the Taliban. Now, these people were—had a dark, dim vision of the world, like, if you didn't agree with them 100 percent when it came to their religion, you'd find yourself being flogged in the public square or executed.

We acted in our self-interest. We upheld a doctrine that said, "If you harbor a terrorist, you're equally as guilty as the terrorist." But in so doing, we freed millions of people from the clutches of the Taliban. It didn't happen long after the Taliban was gone that the people of Afghanistan voted for the first time for President in the country's history. Millions showed up at the polls. The first voter, by the way, was a young woman. She wasn't even allowed to express her opinion under the Taliban. She's voting. And as a result of Afghanistan becoming a liberated, free society, the world is more peaceful.

There was a vote in the Palestinian territories. President Abbas is showing strength and courage by saying to the terrorists, "We'll never achieve peace so long as you kill." I believe there will be a Palestinian state which is a democracy living side by side in peace with Israel, which is a democracy. And we're beginning to see the signs of hopeful progress. Two free societies living side by side in peace will make it easier for our grandchildren to grow up in a peaceful world. I don't have any grandchildren yet—your grandchildren. [*Laughter*]

Lebanon—think about Lebanon. It's a country occupied by Syria. However, as the world began to speak with one voice to Syria, saying, "Get out. Take your troops out; take your intelligence services out," people poured out in the public square to say, "We want to be free." There will be a free Lebanon and Syria must listen to the demands of the world and completely withdraw.

And finally, in Iraq—I'm sure some of you have had relatives in Iraq—been a huge sacrifice by our military families and people of America, as a matter of fact, when it came to war. War is always the last resort for a President. Diplomacy must always be tried. We responded to the challenges of the time. But it should have heartened people to see the 8 million-plus Iraqis who once lived under the brutal reign of a tyrant go to the polls in defiance of terrorists and coldblooded killers. That statement was a powerful statement, particularly for young to understand, that when you believe freedom lurks in everybody's soul, that people love to be free, to realize the bravery and courage of those good folks in the face of terrorists has set an example for a lot of countries. A free Iraq is in our interests. A free Iraq will make America more secure, the world more free, which will help us achieve the peace we all want. Freedom is on the march, and over the next 4 years, I'll do all I can to work with friends and allies to keep it on the march.

Just one quick word on what we can do in Congress to make sure that we continue the economic prosperity that's taking place in a place like Florida—it's got one of the lowest unemployment rates in the Nation, by the way. I tried to attribute that to Jeb, but then I realized it completely overlooks the entrepreneurial spirit of the Floridian people. The truth of the matter is, this economy is growing because there's risktakers, dreamers, doers, and hard workers in the State of Florida.

So I'm looking forward to working with Congress to make sure that we continue to create an environment in which we can have economic growth and vitality. There's a lot of things we can do—pass a reasonable budget, for starters; make sure we're wise about how we spend your money. Another thing we can do is keep your taxes low. Third thing we need to do is to make sure that Congress gets an energy bill to my desk.

In 2001, I was concerned about dwindling supply in the United States and more dependence upon supply from overseas. And so I put together a group of smart people, and we came together with an energy strategy. And it's a multifaceted strategy. It says, we've got to conserve more; we need to work on ways to encourage conservation; we've got to develop alternative sources of energy like ethanol and biodiesel. We need more LNG facilities so we can bring liquified natural gas to our powerplants around the United States.

We'll spend taxpayers' money on research projects so that we could, for example, be able to burn coal in a zero-emissions plant. We've got a plant—such a strategy and such an experimentation going on right now. I think we ought to explore—and we are—ways to see if we can't use hydrogen to power our automobiles, so that we become not only less dependent on foreign sources of energy but that we're wiser about environmental air standards, about protecting environmental air standards.

In other words, there's a lot of things I put in that report. I'm concerned about the price of your gasoline. I'm concerned about rising prices. And Congress needs to stop debating this bill. Congress needs to get it to my desk, so we can start the progress of becoming less dependent on foreign sources of energy.

You don't have to worry about these ones. [*Laughter*] We're on board—on the same—we're working on—we're working toward the same goal, and that's energy independence.

I want to talk about Social Security. First, Social Security is one of our great institutions. I think Franklin Roosevelt did a good thing when he created Social Security—matter of fact, I know he did—because it's provided a retirement safety net for a lot of folks. And that's important.

The problem is we've got a problem with Social Security. And that's what I want to discuss with you. As a matter of fact, I think this is maybe the 16th State I've been to since I gave my State of the Union, talking about Social Security, the fact that it's one of the great moral successes, the fact that the system has helped seniors enjoy the dignity of a secure retirement.

I'm assuring people I fully understand a lot of seniors rely upon their Social Security check. Don't you? It matters a lot. It matters to seniors all around our country. And that's why I'm spending a lot of time not only addressing the problem—which I'm going to define for you in a minute—but, most importantly, saying to seniors, you have nothing to fear when it comes to this talk about making sure the system works for the next generation. It's really important for people to hear that. It's taken 16 States so far to get the message out. I got three more next week. No matter how many States it takes or how many speeches I give, I want seniors to understand all across America, no matter what the rhetoric is, no matter what the pamphlets say, no matter what the pundits tell you, this Government will make and keep its promise to our seniors who have retired.

If you're approaching retirement and born before 1950, you're going to get your check too. Nothing will change. You've been working hard, you've been putting money in the system, and you're going to get your Social Security check too. In other words, for those of us born prior to 1950, nothing changes. I'm a fellow who was born prior to 1950; I guess that makes me feel okay.

What really makes me worried about is I understand that we have made promises for younger Americans that we can't keep. And that's what I want to explain to you, that this Government of yours has said to Americans, "That safety net that we've created is fine if you retire, but for a younger generation of Americans, it has a hole in it." And let me tell you why: Because Social Security has changed; the dynamics of our society has changed in ways that the creators of Social Security could never have envisioned.

First of all, the Social Security system is a pay-as-you-go system. That means, you pay; the Government goes ahead and spends. [*Laughter*] You pay in the system at your payroll tax, and the Government pays out the promised benefits, and if there's any money left over, it goes to pay for other programs. See, some people, I suspect, think that there is a trust, and we take your money, and we hold it for you. And then when it comes time to retire, we pull it out for you. That's not the way it works. It is a pay-as-you-go system. The money comes in the door and immediately goes out the door.

In 1950, there were 16 workers for every beneficiary—16 workers paying into the system for every beneficiary. You can imagine it works. In a pay-as-you-go system, when you've got a lot of workers per beneficiary, it means you're collecting enough money to be able to take care of the people who've retired. Today, because we're having fewer babies, because there's an increasing number of beneficiaries, there's only 3.3 workers per beneficiary. In other words, fewer workers are carrying a greater load.

In a relatively short period of time, there's going to be two workers per beneficiary. Like, if you're young, you're going to be one of two who are going to have to pay for guys like me. And so you begin to get a sense for the math that has changed: 16 workers in the 1950s; in the 21st century, there's going to be 2 workers per beneficiary. And the other thing—the other problem to complete the math is that

a group of us are getting ready to retire. We're called baby boomers. I think I'm on the leading edge. I was born in 1946; I turn 62 in 2008, which is a convenient year, in my case, for getting to retirement age. [*Laughter*] And you know what else has changed? Guys like me and Sam and others, we're living longer, much longer than previous generations. And you know what else has changed? Because a lot of people ran for office saying, "Vote for me; I'm going to increase your Social Security benefits," my generation has been promised greater benefits than the previous generation.

So if you take the issue of baby boomers living longer, getting paid more, coupled with fewer people paying into the system, it says we've got a serious problem, and it begins to manifest itself in 2018. That's when more money starts going out of the system than coming in. Now, that may seem like a long time if you've got a 2-year perspective on life, but it's not that long; 2018 is 13 years from now. If you're 5 years old, you'll be voting in 13 quick years. For those of you who have raised children, you understand how fast 13 years goes by.

In 2027, the system will be 200 billion in the red. In other words, in 2018, it starts to go in the red, and it gets worse every year; 2027, it's 200 billion, and it gets worse after that. It keeps getting worse until it gets up to—2033, the annual shortfall is about 300 billion. Finally, 2042, it's bust; it's bankrupt. So in other words, there's a huge hole. Because there's more of me—people like me living longer, getting paid more benefits, fewer workers in the system, the system starts to go into the red, and it just accelerates.

And you can understand the problem. If you're a grandparent thinking about your grandchild, you ought to be asking the question of people like me, "How are you going to—how's this younger worker going to pay for it if you don't do anything?" You can imagine what it means.

We had an expert today, one of your panelists, Sam, was there. She said that if nothing happens, in order to make the system somewhat whole, the payroll tax is going to have to go up to 18 percent, I think she told me. Think about that. Doing nothing has got serious consequences for a younger generation coming up. This is why I like to say this is a generational issue. This is an issue where, once we can assure grandparents that you're fine, you'll be taken care of, the promise will be kept, a lot of grandparents are starting to say, "Whew, I'm feeling good about it. How about my grandchildren? What are we going to do for them?"

I met Don and—Dan and Lois Canterbury. Dan is a retired dentist from Auburndale. He and his wife have got eight grandchildren. Their—the oldest grandchild is Evan. He's not here. He's 17—I hope he's studying—[*laughter*]—but he's 17. On its current path, Social Security would take part of Evan's check, of course, for his entire working career, but it goes broke 10 years before he retires. I hope that helps put it in perspective of what I'm talking about. It's one thing to put out dates; it's another thing to put this in personal terms.

And Evan is out there working hard; the system is bankrupt; he's put all this money in; and so what are the choices that future public policy people will have? And they're not very good: major benefit cuts, major increases in taxes, cutting out all other kind of programs in order to make sure that the promises are kept. And those options don't sound very good to me, and I know they don't sound very good to you when you start thinking about it.

And so what we need to do is come up with a permanent solution. And that's what I'm going to travel the country talking about. I think most people have begun to understand that we got a problem, which is an important dynamic. See, if Congress didn't think you thought there was a problem, nothing would happen. This is one of these issues where people in Washington

truly respond to what people think. If they think nobody really thinks there's a problem, I can assure you, nothing will take place. But I think things are changing in Washington. Matter of fact, I know they are, in terms of whether or not people think there's a problem. Matter of fact, the U.S. Senate approved a resolution the other day, 100 to nothing, saying that we have a problem with Social Security, and we need to come up with a permanent solution. That is progress. It's a strong commitment from the Senate.

And I want to assure you all that my administration will work with the United States Senate and the House of Representatives to come up with a permanent solution, and we're willing to listen to anybody with a good idea. As a matter of fact, in my State of the Union Address—I haven't looked at all previous State of the Union Addresses, but I suspect you'll find, when it came to Social Security, mine was unique because I said, let's put good ideas on the table. And I mentioned some of them. Former Congressman Tim Penny had a good idea about the possibility of indexing Social Security benefits to prices rather than wages, for younger workers. President Clinton spoke about raising the retirement age for younger workers. Patrick Moynihan, through the committee, talked about ways to change the benefits. There was a Social Security expert named Robert Pozen, who happens to be a Democrat, proposed a progressive mix of wage and price indexing.

These are all important, very interesting ideas that I just strongly urge Members of Congress to bring to the table and consider. It's one thing to be thinking about solutions; it's another to say, "I just—going to dismiss anything out of hand." That's not the way I think, and that's not the way this problem's going to get solved. We ought to welcome ideas. It doesn't matter if it's a Republican idea or a Democrat idea, the idea is to come together and fix this for a generation of Americans to come.

I have said this and I believe—I know we can do this without raising the payroll tax rate. The reason why I believe that it's necessary is because one way to make sure this economy is slow today and slow in the out-years is run up the payroll tax on people. It's a tough tax on a lot of people.

I also know that this can't be a temporary fix. I don't know if you remember 1983. Some of you weren't even born then. Kind of envious. [*Laughter*] They said they fixed—they put the 75-year Social Security fix together. It's called a 75-year fix. First, I want to applaud President Reagan, Speaker O'Neill. I think Leader Dole was involved with that. It was—a lot of people from both parties came together, said, "We've got a real problem; let's come together to do something about Social Security." And they put together the 75-year fix. But here we are in 2005. Doesn't seem like a 75-year fix when you're here talking about it 22 years later.

And so I urge Congress not to think about 75-year fixes. The math is just not going to allow for a 75-year fix. It may sound like a 75-year fix at first. We need a permanent fix. We need to do it right, now, and make sure that nobody has to address the issue again.

I think we have an additional responsibility, besides making sure that it's solvent, the system is solvent. We've got to make it better for our children and grandchildren. And so I've laid out a proposal to give our youngsters an opportunity that the current system doesn't provide, and that is a chance to own a piece of their own retirement, own it themselves, and to tap into the power of compounding interest. It's called—I call it a personal savings account. It's a chance to give workers a voluntary option. In other words, you get to choose if you want to. The Government says, you don't have to do this; you can do this if you think it's an interesting idea that you want to look at, to set aside some of your own money in a savings account

that you will invest in a conservative mix of bonds and stocks.

This isn't the solution to Social Security; it is a part of the solution to Social Security. It will mean that younger workers, when they retire, get a better deal than under the current system, is what I'm trying to tell you. It's a—if you think about this—let me explain compounding rate of interest to you, that if you let a younger worker invest a third of their payroll taxes, let's say 4 percent, in a conservative mix of bonds and stocks, and that younger worker started saving at about 21 years old and made $35,000 a year over his or her lifetime, by the time he or she retired, there would be a nest egg of $250,000. In other words, 4 percent of that person's payroll tax, or a third of the payroll tax, invested and held, and it just grows, compounds.

And what's important is, is that the rate of return in the voluntary account would be greater than that in which the Government—you can get through the Government. In other words, by putting in a conservative mix of bonds and stocks, you're going to make a better rate of return than your money today. And the difference between what you will earn in a conservative mix and what the Government gets is substantial, particularly when you start saving at 21 years old. And that matters.

And so they've got an opportunity under this system to have an asset that you call your own. The system today, you have no assets. The money goes in, and it goes out. There's IOUs; they're paper. But there's no asset base.

Now, look, we're going to make sure there's careful guidelines about what you can invest in. You can't put it in the lottery. You can't take it to the track. [*Laughter*] You've got to invest it in a conservative mix of bonds and stocks. But we're used to those kinds of things, aren't we, in our society? We got the Thrift Savings Plans that people—Congress are able to use or Federal employees are able to use.

Today I was with a Navy pilot in Pensacola, 21-year-old kid getting his wings, talked about his Thrift Savings Plan. He said, "I like my Thrift Savings Plan." He says, "I watch my money grow." I said, "Oh, yes—you get a quarterly statement?" He said, "No, I get it online all the time."

You see what's interesting about this notion about saving and investing is, the world has changed when it comes to investing. At least it's changed since I was being raised. I was telling Mother in the limousine, I don't remember talking to her about 401(k)s when I was a little guy. I don't remember IRAs, defined contribution plans. This world has changed since I was raised.

And there are a lot of young kids who now understand what it means to invest. They're comfortable with the concept of watching their money grow. They understand that it's possible for Government to allow a younger worker to invest, that—in a conservative mix of instruments. I mean, this is not a foreign concept. People are getting used to that. It seems like to me that if a Thrift Savings Plan is good enough for a Federal worker, it's good enough for a private sector worker. It's good enough for you.

I met Anna Brooks from Sanford, Florida. Her husband was a Methodist minister. He died. Let me talk about one of the benefits of personal accounts when it comes to somebody who has been widowed. If your spouse dies before 62 and you're not working, you get nothing from the system until you turn 62 years old. Think about that. Your husband has been working, putting money in the system; he passes away—or it could be the opposite, wife is working, husband is the beneficiary, and the person passes away, and there's nothing left until that person turns 62 years old. Or how about the case of the—both couples—both folks working, and one predeceases the other, and the spousal benefits are less than the person's retirement benefits when the person living retires. You only get one or

the other. You get the higher of the two, not both. Think about that system for a minute. Somebody works all their life; the spouse works all their life; the spouse is only going to get what she has or he has contributed into the system. But the other—the other member of their family's money, it just goes away.

If you have a personal account that grows over time, it's your asset you call your own. You can leave it to whom you want. If you get—if you—the wife or husband whose spouse predeceases them will be able to have that asset. It's yours. You get to decide, not the Government. And the money you've earned over the course of your lifetime becomes real. It's a part of an asset. And that's an important part of why people should take a serious look at personal accounts. There's something beneficial in a society where more and more people have a real asset they call their own, where they get to decide to whom to leave it to.

And so I was talking to Anna. She's got a lot of grandkids. She's interested in making sure that the system for the grandkids—she's got two great-grandkids; she's fixing to have another great-grandchild—so she's interested in the subject, because she understands that if we don't do anything, those kids are going to be saddled with a serious problem. And the idea of her kids or grandkids and great-grandkids being able to have an asset appeals to her, something she wasn't afforded when she was coming up and working.

And so what I'm telling you is, personal accounts would replace empty Government promise with real assets. I really like the idea of the fact that in our society today, more people own a home than ever before. More minority families own a home than ever before. That's positive, isn't it? Isn't that great? I like the idea that more and more people own their own small business. People from all walks of life have their own business and they're struggling and working hard, employing people, but it's theirs. Personal accounts in a Social Security system would give millions of Americas their first chance to own something, the chance to pass something on to a son or a daughter, if that's what they choose to do.

Now, ownership is powerful. Ownership was—you know, it means you can—somebody can inherit something from a mom or dad. And that shouldn't be the privilege of just the wealthy. That should be the opportunity of everybody who lives in America.

And so one of the reasons why I think Congress ought to consider personal accounts is because it empowers the individual. It is—conforms with the way people are getting used to investing now, particularly younger Americans, through 401(k)s or defined contribution plans. It will allow people to earn a better rate of return than they will under the current system. It will help complement whatever is left over in the Social Security system. The Government will have promised benefits, but I've told you, we can't pay what we've promised. But the personal account, because of the compounding rate of interest, will help you get closer to that which Government has promised. It will make it a part of a good retirement system for people.

And this idea is a idea that's not a Republican idea or a Democrat idea. There are a lot of people from both political parties who understand the power of this. I happen to think it's a really good people idea. I think it's an idea because it empowers people. I think it's an idea because it says that the United States Government really does trust the people with their own money.

And so I urge Congress, as we take on this issue, to listen carefully to the American people. And I urge you to make sure that Congress hears your voices.

Over the next weeks, I'll continue to talk about how the—to the people about the fact that we have got a serious problem. Oh, it's fine for people like me and people

born after—before 1950. People born after 1950, you better be asking your elected representatives, "If we've got a problem, what do you intend to do about it?" I find people are really tired of partisan bickering: "We can't accept this idea because it's a Republican idea." "We can't accept this idea because it's a Democrat idea." People just don't want that when it comes to the Social Security debate. People want there to be good will and a good-faith effort by people of both political parties to sit down at the table, and say, "The people are worried about it. There's a lot of grandparents in America worried about their grandchildren. We have run for office for a reason."

One of the reasons I have put this idea or this issue on the table, because I understand the job of the President is to confront problems, and not just pass them on to another President or another Congress. Now is the time.

And I want to thank you all for giving me a chance to come by. Sam, thank you for your good work on this issue. Thank you for your interest on this issue. I want to thank the younger folks who are here for paying attention to an issue which I promise you is going to affect your life. It's either going to affect it in an incredibly positive way, or about 20 years from now, you're going to be saying to yourself, "I wonder how come the Congress didn't listen to old George W. Bush. [*Laughter*] How come they didn't get together and fix this for generations to come?"

God bless. Thank you for coming.

NOTE: The President spoke at 1:58 p.m. at the Lake Nona YMCA Family Center. In his remarks, he referred to Gov. Jeb Bush of Florida; Mayor Richard T. Crotty of Orange County, FL; James W. Ferber, president and chief executive officer, Central Florida YMCA; Sam Beard, founder and president, Economic Security 2000; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; former President Saddam Hussein of Iraq; former Representative Timothy J. Penny, senior fellow and co-director, Hubert H. Humphrey Institute Policy Forum; Robert C. Pozen, chairman, MFS Investment Management; and former Senator Bob Dole. The transcript released by the Office of the Press Secretary also included the remarks of former First Lady Barbara Bush.

The President's Radio Address
March 19, 2005

Good morning. On this day 2 years ago, we launched Operation Iraqi Freedom to disarm a brutal regime, free its people, and defend the world from a grave danger.

Before coalition forces arrived, Iraq was ruled by a dictatorship that murdered its own citizens, threatened its neighbors, and defied the world. We knew of Saddam Hussein's record of aggression and support for terror. We knew of his long history of pursuing, even using, weapons of mass destruction, and we know that September the 11th requires our country to think differently. We must and we will confront threats to America before they fully materialize.

Now, because we acted, Iraq's Government is no longer a threat to the world or its own people. Today, the Iraqi people are taking charge of their own destiny. In January, over 8 million Iraqis defied the car bombers and assassins to vote in free elections. This week, Iraq's Transitional National Assembly convened for the first time. These elected leaders broadly represent Iraq's people and include more than 85

women. They will now draft a new constitution for a free and democratic Iraq. In October, that document will be presented to the Iraqi people in a national referendum. Another election is planned for December to choose a permanent constitutional government.

Free governments reflect the culture of the citizens they serve, and that is happening in Iraq. Today, Iraqis can take pride in building a government that answers to its people and honors their country's unique heritage. Millions of Americans saw that pride in an Iraqi woman named Safia Taleb al-Suhail, who sat in the gallery during the State of the Union Address. Eleven years ago, Saddam Hussein's thugs murdered her father. Today, Safia's nation is free, and Saddam Hussein sits in a prison cell. Safia expressed the gratitude of the Iraqi nation when she embraced the mom of Marine Corps Sergeant Byron Norwood, who was killed in the assault on Fallujah.

To all the brave members of our Armed Forces who have taken part in this historic mission and to your families, I express the heartfelt thanks of the American people. I know that nothing can end the pain of the families who have lost loved ones in this struggle, but they can know that their sacrifice has added to America's security and the freedom of the world.

Iraq's progress toward political freedom has opened a new phase of our work there. We are focusing on our efforts on training the Iraqi security forces. As they become more self-reliant and take on greater security responsibilities, America and its coalition partners will increasingly assume a supporting role. In the end, Iraqis must be able to defend their own country. And we will help that proud, new nation secure its liberty, and then our troops will return home with the honor they have earned.

Today, we're seeing hopeful signs across the broader Middle East. The victory of freedom in Iraq is strengthening a new ally in the war on terror and inspiring democratic reformers from Beirut to Tehran. Today, women can vote in Afghanistan. Palestinians are breaking the old patterns of violence, and hundreds of thousands of Lebanese are rising up to demand their sovereignty and democratic rights. These are landmark events in the history of freedom. Only the fire of liberty can purge the ideologies of murder by offering hope to those who yearn to live free.

The experience of recent years has taught us an important lesson: The survival of liberty in our land increasingly depends on the success of liberty in other lands. Because of our actions, freedom is taking root in Iraq, and the American people are more secure.

Thank you for listening.

NOTE: The address was recorded at 3:52 p.m. on March 18 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on March 19. The transcript was made available by the Office of the Press Secretary on March 19 but was embargoed for release until the broadcast. In his address, the President referred to Janet Norwood, mother of Sgt. Byron Norwood, USMC. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks to Senior Citizens in Tucson, Arizona
March 21, 2005

[*The President's remarks are joined in progress.*]

The President. ——now it's our turn to sacrifice for future generations, and we are. This world is becoming more peaceful, and

it's because we're free. And that's a lesson we've learned from previous generations, that free societies are peaceful societies. You know, I have this great faith in the capacity of freedom to make the world a better place, so I just want to give you a quick foreign policy report and tell you that this world of ours is getting better as more people become free.

I'm also talking, of course, a lot about Social Security. I think this is a generational issue, and it's a generational issue because your generation has nothing to worry about in terms of getting the promise Government has made. There's just no doubt about it. I know there are some contradictory statements being made; it's just not true. The promise Government has made to those who are retired or near retirement will be kept.

But because the math has changed, because there's a lot of baby boomers like me are getting ready to retire, and we're living longer, and we're getting bigger benefits than the previous generation, and there are fewer workers, we need to worry about not this generation but the next generations.

And that's really what I'm here to tell people in Tucson, is that if you're getting your check, you're fine. If you've got a grandkid, you'd better ask the political people what they intend to do about making sure Social Security, the safety net of Social Security, is available for them. And you know, I'm interested in all ideas. I think that this isn't a Republican issue or a Democrat issue; this is a national issue that requires a national dialog.

And so I want to thank you for giving me the chance to come by to the Udall Center. The mayor was telling me what a unique place this is, and he wasn't exaggerating.

Audience member. Yes, it's great.

The President. It is great—well, I hope so.

Are you playing a little cards over there? Got a little time for some cards. [*Laughter*] Anyway, thanks for letting me come by. I'm looking forward to meeting you all. Thank you. It's a beautiful city you've got here.

NOTE: The President spoke at 10:51 a.m. at the Morris K. Udall Recreation Center. In his remarks, he referred to Mayor Bob Walkup of Tucson, AZ. The press release issued by the Office of the Press Secretary did not include the complete opening remarks of the President. A portion of these remarks could not be verified because the tape was incomplete.

Remarks in a Discussion on Strengthening Social Security in Tucson
March 21, 2005

The President. Thank you all. Thanks. Please be seated. Thanks for the warm welcome. It is nice to be back in Tucson. The last time I was here, remember, we were up dealing with forest fires. And hopefully, the Healthy Forest legislation that we got passed, thanks to the help of John and Jon and members of the Arizona congressional delegation, will help us preserve this valuable national treasure.

I'm here today to talk with some distinguished citizens from your State about Social Security. Before I do so, I'd say—I've got some other things I want to talk about. [*Laughter*] First, I want to talk about how much I enjoy working with Senator John McCain. I appreciate the job he's doing for the people of Arizona. And I appreciate Senator Jon Kyl from the great State of Arizona. I'm glad you're being nice to him,

because he is on the Senate Finance Committee. [*Laughter*] They're going to write the bill to make sure we have a Social Security system not only available for today's seniors but for the next generation coming up. That's what we're here to talk about. Senator, thank you for your leadership on this issue.

And how about Congressman Jim Kolbe. Appreciate you being here. Jim Kolbe has taken a lead on this issue as well. He's doing something that needs to happen. He's reached across the aisle; he has found a Democrat partner to help come up with some ideas as to how to make sure Social Security is strong for generations to come. I'm proud of your leadership, Jim. I want to thank you. He said he's been working on this issue for quite awhile.

I'm proud that Congressman Trent Franks is with us, and his wife, Josie. Thanks for coming. Congressman John Shadegg is with us. I appreciate you being here, John. You allow people from Colorado in the State? Yes. Well, if that's the case, then why don't we introduce Bob Beauprez, Congressman from Colorado, and Congressman Joel Hefley. McCain said, "Thank you for the water." [*Laughter*]

Speaking about water, I had a fascinating discussion with your mayor about water for Tucson. Mayor Bob Walkup and I actually had talked about water my last trip here. He told me that he was going to work to put a long-term plan in place to make sure this great city and this part of the world has got ample supplies of water. Mr. Mayor, thank you for your vision, and thank you for your hard work on that issue.

I'm proud we've got folks from the statehouse here. Secretary of State Jan Brewer is with us. Madam Secretary, thank you for joining us. Good to see you again. The president of the senate and the speaker of the house are with us. We're honored you all are here. Thanks for coming. Good to see you men again. We got supervisors; we got local officials.

Mostly I want to thank the Tucson Chamber of Commerce for hosting this event. I appreciate you being here. Steve Touche and Jack Camper, I'm honored that you all would—and the chamber members for inviting us to come and have a dialog about a really important issue, which I'm working my way toward. [*Laughter*]

I know you're playing baseball here. I wish the mighty Diamondbacks, with Ken Kendrick, all the best this year. Good to see you, Ken. Thank you, sir. Good luck.

Russell Gursky is with us. Russell, thank you for coming. Russ, why don't you stand up. Hold your applause for Russell. Russell, you right there. Oh, there he is, sorry. This Russell Gursky. He came to the airport. He is a volunteer, 91 years old, still volunteering with the RSVP program to provide help at the Tucson Police Department. I'm honored for your service. Thank you for volunteering, sir.

A couple of issues I do want to talk about. Democrats and Republicans in Congress came together last night to give Terri Schiavo's parents another opportunity to save their daughter's life. This is a complex case with serious issues, but in extraordinary circumstances like this, it is wise to always err on the side of life. I appreciate the work of the Senate and the House to get that bill for me to sign last night at about 1:08—or this morning, at about 1:08.

I also want to say something about the freedom agenda. I appreciate the strong support of Senator McCain, Senator Kyl, members of the congressional delegation for understanding that everyone desires to be free, that deep in everybody's soul is the desire to live in a free society. And they also understand that free societies are peaceful societies and that if you're interested in a peaceful world, which we're interested in, for our children and our grandchildren, the best thing to do is to spread freedom, which is precisely what is taking place. I want to assure you that over the next 4 years, we will work with our friends and allies to encourage those who live

under tyranny to be bold and confident and to follow their hearts. We will work with friends and allies to make the world a more peaceful place by spreading freedom.

And freedom is on the march. Just think about what has happened in Afghanistan, for example. Millions went to the polls after they were shackled by the Taliban. We acted in our own self-interest. We upheld doctrine that said, "If you harbor a terrorist, you're equally as guilty as the terrorist." As a result of our action in self-defense and defending America, millions of people in Afghanistan are now free. The first voter in the election was a woman.

The Ukraine had elections. There will be a Palestinian state, a democracy living side by side with our close friend and ally Israel, which will lead to peace. And then in Iraq, millions went to the polls in spite of the terrorists, in spite of the threats. You know why? People long to be free, and if just given the chance, they'll take the risk necessary to be free.

These are exciting times. And I appreciate so very much working with people in the United States Congress who understand the deep desire for all souls, regardless of religion or where they live, to realize the greatest gift the Almighty can provide, and that is freedom to each man and woman in this world.

I've got one other issue I want to talk about. I appreciate the fact that our economy is growing. You've got a, I think, about a 4 percent unemployment rate here in the great State of Arizona. That's a good sign. People are working. Today, more people are working in America than ever before in our Nation's history. And I want to thank the entrepreneurs who are here and the small-business owners and the dreamers and doers and job creators.

But like you, I'm concerned about our energy prices. I'm concerned about the fact that we're—people are seeing more—paying more at the pump. And so I urge the Congress to stop debating and get an energy bill to my desk. We need an energy bill that encourages more conservation, an energy bill that works on renewable sources of energy, an energy bill that modernizes the electricity grid, an energy bill that allows for environmentally safe exploration for natural gas in our own homeland. We do not need an energy bill that provides tax breaks for oil companies. We need an energy bill that is a—that represents a broad strategy to encourage better use of energy and to find more energy so we become less dependent on foreign sources of energy.

Now, let me talk about Social Security. First of all, right off the bat, I want to tell you, one of my predecessors did a smart thing. Franklin D. Roosevelt did a good thing in creating the Social Security system. The system has provided a safety net for millions of seniors. I want you to hear—you'll hear it more than one time—if you're a person now receiving a Social Security check, nothing will change for you. This United States Government will keep our promise to people who have retired or near retirement. Nothing is going to change. I don't care what the fliers say; I don't care what the ads say; I don't care what the political rhetoric says. If you're getting a check, nobody is going to change the system for you. And that's important for you to hear.

Listen, I can understand people being nervous about a Social Security dialog. You know, sometimes that just means, "Because Bush and McCain and others are talking about it, that means somebody is going to take my check away." It's just not going to happen. The system—the safety net is in good shape for people born prior to 1950.

There are holes in the safety net, however, for a generation of Americans coming up, and I'll explain to you why. The math has changed. The math has changed this way: Baby boomers like me are getting ready to retire, and there's a lot of us. I turn 62 in 2008—it's a convenient date

for me to retire. [*Laughter*] We're living longer. We're living a lot longer today than people were living when Franklin Roosevelt created the system. You've got a lot of us baby boomers getting ready to retire, and we're living longer. Plus, for years people ran for office saying, "Vote for me; I'm going to increase your Social Security benefits if I get in." And they fulfilled those promises. My generation is going to be getting more—a better benefit package than the previous generation. So you're beginning to get part of the equation: a lot of us, living longer, getting better benefits than the previous generation. But there's not a lot of people putting money in the system anymore.

You see, in 1950, there was 16 to 1 workers—16 workers for every beneficiary paying into the system. It means each worker didn't have much of a load to carry when it came to making sure that somebody who has retired got their benefits. Today, there are 3.3 to 1—3.3 workers paying into the system. Soon, there will be two workers paying in the system. More people getting greater benefits, living longer, and fewer people paying for us. That's a problem. And it's a problem that begins to manifest itself in 2018 when the Social Security system goes into the red.

Now, let me tell you something about the Social Security system. It's not a trust. A lot of people think, well, we're collecting your money and we're holding it for you, and then when you retire, we're going to give it back to you. That's not the way it works. We're collecting your money, and if we've got money left over—in other words, if there's more money than the benefits promised to be paid, in our hands, we're spending it and leaving behind an IOU. That's how it works. It's called—as a pay-as-you-go system. You pay; we go ahead and spend it. [*Laughter*]

In 2018, the system goes into the red, and every year thereafter, if we don't do anything, if we do not address the problem, it gets worse and worse and worse. To give you an example, in 2027, the system will be $200 billion in the red—in other words, 200 billion more to pay for the retirements promised to people like me who are living longer than coming in in payroll taxes. And it's 300 billion about 12 years later. In other words, we've got a problem out there. It's not a problem for me. It's not a problem for one senior in Tucson who's receiving a check today, but it's a problem for your grandchildren.

You see, the question is how your grandchildren are going to pay for these promises the Government has made. And that's what—and that's the problem that Congress must address. See, my attitude is, I'm going to spend a lot of time traveling the country saying, "Here's the problem," and then say to people in Congress, "Bring your ideas."

So in my State of the Union Address, I stood up and said all ideas are on the table except raising up the payroll tax rate—all ideas. See, this isn't a Republican issue or a Democrat issue; this is a national issue that requires people of both parties to give a national response. That's what the people want, and that's what the people expect. The people expect people of good faith to take on an issue today so we can solve it for a generation to come. That's why we ran for office in the first place.

A couple other points I want to make. Laura told me—by the way, she's doing fabulous. I'm a lucky man to have married Laura Bush. She just said, "Make sure you remember there's others on the stage who need to talk too." [*Laughter*] In other words, "Keep it short." But I'm just getting wound up. I've got a couple other things I want to share with you.

Congress needs to hear from the people that this needs to be a permanent fix. I mean, when we sit down at the table, let's make sure we solve this problem once and for all. Now, in 1983, President Reagan, Tip O'Neill, Bob Dole, I think, other Members of the House and the Senate saw a problem. They came together, and they put

together what they call a 75-year fix. The problem is, we're about 22 years after 1983, not 75 years. The math is such that there's no such thing as a 75-year fix. They may tell you there's a 75-year fix, but there's not.

When we sit down at the table, my call to the United States Congress—and I know Senator McCain agrees with me on this—let's fix it once and for all. Let's do our duty and permanently fix Social Security.

I want to share one other idea with you, and then we're going to talk to our panelists here. It's an idea that I know that has been in the news. It's an idea to allow younger workers to take some of your own money and set it aside as a personal savings account. Let me tell you why I like this idea. First of all, it's voluntary. Nobody is saying to a younger worker, you must set aside a personal savings account. We're saying you can if you want to, take some of your payroll taxes and put it aside. After all, it's your money to begin with.

Secondly, a personal savings account in a conservative mix of bonds and stocks will yield a greater rate of return than money that—that your money is earning now. And that's important, because over time, that money grows. Over time, there's a compounding rate of interest. Let me give you an example. If you're a $35,000-a-year worker over your lifetime, and you're allowed to put a third of your payroll taxes into a personal account, and you start saving at 21, by the time you retire, that account will have accumulated $250,000. That will help you with retirement. See, money grows, and the better rate of return you get, the more the money grows. And the rate of return we're getting on your money now is abysmal compared to a mix of conservative bonds and stocks. And so, in other words, you get a better deal.

In order to fix permanent—Social Security permanently, there needs to be some things we've got to do, and I've laid them out on the table. But this is a way to make the system work better for the individual. And I think we need to be thinking about the individual when it comes time to making the Social Security system work better, because if you allow a person to take some of their own money and it compounds with a rate of interest, it means the nest egg that person is going to have is going to be more closely tied—more closely resemble that which the Government—the promise the Government can't keep.

You see what I'm saying? In other words, when we fix the system, there're promises the Government has made that it can't keep. But one way to allow an individual worker, if they so choose, to have a retirement system that's closer to that promise is to allow that worker to get a better rate of return, a better compounding rate of return over time.

Secondly, I think if you own something, you have a vital stake in the future of the country. I think we ought to encourage ownership throughout America. I like the idea of people having their own account that they can manage themselves.

Thirdly, I like the idea of people from all walks of life being able to own an asset and pass it on to whomever they choose. That hasn't been the case throughout our history. If you think about the history of America, only a certain group of people have had assets they pass on. That's not the America I know. We want to encourage ownership throughout our—all our society. You know, they say, "Well, only certain people can invest; this is too difficult." I just don't agree with that. I don't agree there's only a certain investor class in America. I think a society that's a hopeful society is one that encourages all people to own and invest. Please don't tell me only a certain kind of person can invest.

You know how I know that that's not the case? We got this kind of plan already in place, the Federal employee Thrift Savings Plan. I'm not here on stage inventing something new; I'm here saying, if this is good enough for Federal employees to be able to take some of their own money and

set it aside in a conservative mix of bonds and stocks, it ought to be good enough for the worker who doesn't work for the Federal Government.

So that's what I think we ought to consider, for the sake of the worker. I think we ought to say, you know, there's a 401(k) culture in America—in other words, more and more people are investing their own money. They know what it's like. Why don't we extend this concept to make it available for younger workers, if they choose to do so. If a younger worker says, "Let me do this," it seems like to make a lot of sense to me for the Federal Government to say, "You bet. We'll give you an opportunity to make sure you get a better deal out of the Social Security system."

And so I'm looking forward to discussing this idea with members of both political parties. It's a powerful idea. A lot of people have thought about it before me. A lot of Republicans liked it; a lot of Democrats thought it was an interesting idea in the past; and it ought to be on the table.

Now, we've got some people with us who know—they know what they're talking about on this subject, starting with Lee Abdnor. Lee is right here to my left. Lee, tell us what you do.

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

The President. What Lee is talking about is when we first got into office in 2001, I think it was, is I asked Senator Daniel Patrick Moynihan, former colleague of John McCain's and Jon Kyl's, from New York, Democrat Senator, to chair a panel on Social Security. I saw it was a problem; others saw it was a problem. And they put together—we put together a group of eight Republicans and eight Democrats who sat down at the table and said, "Why don't we come up with some ideas for Congress to look at."

First of all, I appreciate the spirit. If you noticed, eight Democrats and eight Republicans sat down at the table to discuss things in a positive way. It wasn't to sit down and say, "My party is better than your party, or your party is deficient here." It was to sit down to say, "We care deeply about the future of the United States of America, and so why don't we sit down in the spirit of reform and discuss the issue."

And I want to thank you for serving on the panel, Lee. I presume there was no fistfights or anything else. [*Laughter*]

[*Mrs. Abdnor made further remarks.*]

The President. And one of the interesting things that came out of this Commission—there was a guy named Pozen on there; he's a Democrat fellow who put forth some interesting ideas that I know the Congress is looking at, and that we can make sure this system takes care of low-income retirees. In other words, there are ways to make sure the system is progressive. And I appreciated his suggestion, and it's an interesting idea that I know that some in the Senate are looking at and some in the House are looking at.

My point is, it doesn't matter who thinks of the idea. I think it's for the sake of the future of this country that people ought to sit down and put their ideas forward. Somebody who is willing to do so and somebody who understands the need to get the job done is Senator John McCain. I want to thank you. He and I have discussed this issue a lot, and so I'm confident in telling you he cares deeply about the issue and is willing to take the risk necessary to work with people of both parties to get this problem solved.

Welcome, Senator.

[*Senator John McCain made brief remarks.*]

The President. Thanks, John.

Joan Richardson—Joan, thank you for joining us. Appreciate you coming. Live right here in Tucson?

Joan Richardson. Yes, I do, Mr. President. Thank you.

The President. Nice place?

Mrs. Richardson. It's a pretty good place. I've been here 40 years.

The President. It seems like—40 years?

Mrs. Richardson. It's grown a little bit.

The President. Yes. It's a spectacular place. Tell us about your issues with the Social Security system, if you don't mind.

[*Mrs. Richardson, retiree, made further remarks.*]

The President. Listen, let me make sure people understand what Joan just said. She's working; she's putting money in the Social Security system. Her husband was too. He passed away. All the money he put into the system didn't go to Joan. She had a choice to make: Either take the survivor benefits as a result of his contributions or the check as a result of her own contributions, but not both. Think about the system. The husband dies early; all the money just disappears into the system. That's not fair, is it?

One reason why you ought to encourage—I think people ought to be allowed to take some of their own money and set it aside so it earns a better rate of return than their own money in the system, a nest egg they call their own, is to take care of situations like this.

Unfortunately, it happens quite often. And a personal account would certainly help, because the—in this case, the husband would have left it for Joan, and she would have something to live on. Now, you can't liquidate your personal account when you retire. It's the interest off your personal account that will complement your Social Security check, no matter how big or little it is, that you're getting from the Federal Government. That's important to remember. But as a pass-through to your family member, Joan could liquidate the account and have lived on that and helped her and her family.

So thanks for sharing that, Joan. I know it was hard, but you did a fine job. I appreciate you being here.

Mrs. Richardson. Thank you, sir.

The President. Mr. Jack Moore, straight out of Tucson, Arizona.

Jack Moore. Thank you, Mr. President.

The President. Welcome.

Mr. Moore. I have lived here in Tucson since 1947.

The President. Really?

Mr. Moore. Except for 2 years of military service.

The President. That must have been like—what was it like in 1947?

Mr. Moore. There were 48,000 people here in those days. [*Laughter*] I retired——

The President. Did they have a lot of airplanes at the——

Mr. Moore. No. [*Laughter*]

The President. No.

[*Mr. Moore made further remarks, concluding as follows.*]

Mr. Moore. Today, I'm very grateful to have that safety net. But I'm also fully aware, sir, that this is not about me; it's about the 30-year-olds today and the children and the grandchildren today, of which I'm happy to say that two, wherever they are, Heather and Alicia——

The President. Don't hide now. There they are. Lousy seats. Wait a minute. [*Laughter*] You thought they would have got a better seat with their grandfather up here starring the way he is. [*Laughter*] Sorry about that. I'll talk to the advance man, you know. [*Laughter*] Blame it on the chamber. [*Laughter*]

Go ahead. This is a generational issue. Jack, do you have any concern that you're not going to get your check?

Mr. Moore. Oh, not a bit. This is not about me.

The President. I appreciate him understanding that. Some are concerned you're not going to get your check; I know that. Some seniors hear the debate, and all they think is, "Well, that just means old George

W. is going to make sure I don't get my check." That's just not the way it's going to work, folks. And Jack understands that. Once you understand that, if you've got your check here in Arizona, then do you know what the next question is going to be? Just like Jack, "What are you going to do for my grandkids? You've got a problem, Members of Congress, Mr. President; go fix it now so that we don't saddle my grandkids with an unnecessary burden."

I appreciate your spirit, Jack. Thank you.

Mr. Moore. Thank you, sir.

The President. Appreciate that.

Mr. Moore. And if I may, I appreciate you, sir, for your dedication and perseverance and taking on the hard issue such as updating Social Security.

The President. Well, let me tell you my theory on this—not my theory; my view. [*Applause*] Thank you all, but here's what I believe. I know the Senator believes this—I know Senators believe it; I know Members—these Members of the House believe it. Our job is not to pass problems on to future Presidents or future Congresses. That's not why we ran for office. We ran for office, and we said to the people, "When we see a problem, in good faith we will work together to solve it." That's what we said. This is a problem; now is the time for members of both political parties to work together to solve the problem so that a person like Jack says to Members of the Congress, both parties, "Job well done, you've done what we expected you to do."

Mary-Margaret Raymond, welcome.

Mary-Margaret Raymond. Thank you very much, Mr. President.

The President. I appreciate you being here.

Mrs. Raymond. Oh, my great pleasure.

The President. Well, this is a lot of fun, isn't it? [*Laughter*] It's not exactly what you thought you'd be doing last week, is it?

Mrs. Raymond. Yes.

The President. Oh, it was? Okay. [*Laughter*] Shows you what I don't know. [*Laughter*]

Mrs. Raymond. I've lived—I'm 84 years old, and I've lived in Tucson 80 years.

The President. Hold on for a minute, 80 years?

Mrs. Raymond. Yes.

The President. How many people lived back 80 years ago? [*Laughter*]

Mrs. Raymond. Well, I didn't go to the university 80 years ago, but when I went to the university, I majored in public administration, and the major thing we had to learn about was the Social Security Act, because it passed in 1935. And when I got a degree from the University of Arizona in 1942, during the Second World War, we learned the basic principles of the Social Security Act. And except for the tinkering that they've done with it, it hasn't changed much.

The President. Right, you're right.

Mrs. Raymond. That's not good. [*Laughter*] Your refrigerator has changed—[*laughter*]—your automobile has changed; your education principles have changed. So it's time to look into Social Security. I'm all for you.

I want to say this to my generation, particularly my generation of women: The President and everybody else concerned over this has said, if you're 55 years old and older, it's not going to make any change in what you get from the Social Security. Get off of your stick and quit worrying. What a waste of time. Get busy and learn about it.

The President. It sounds like you were well-educated at the university—are you pulling for the Wildcats in the basketball tournament?

Mrs. Raymond. You bet I'm for the Wildcats. I'm a darn good Wildcat.

I think that the Social Security Act, along with a lot of other things, has many good points. But it needs to be updated.

The President. I appreciate that.

Mrs. Raymond. And I think you are the person that can do it.

The President. Yes, ma'am. [*Laughter*] Thank you. Just tell your friends, I can't do it alone. That's why I'm traveling the country. I think this is my 17th State since the State of the Union Address. I'm enjoying getting out of Washington. I like coming to places—I like Tucson and talking to folks like Mary-Margaret, and I'm going to continue. It doesn't matter how long it takes for the—I'm going to work as hard as I can to tell the people, these are the facts. I'm not making anything up. These are the facts. And now is the time for people to come together to solve this problem.

Seniors have nothing to worry about. You're going to get your check. But younger folks, the ones they say aren't paying attention to politics—first of all, they are paying attention to politics. But, secondly, younger folks ought to be paying close attention to this issue. This is an issue that's going to affect your pocketbook. And that's why we asked Valerie Gallardo-Weller to join us. Valerie, welcome.

Valerie Gallardo-Weller. Thank you very much.

The President. Proud you're here. Thanks for coming. What are you doing these days? How are you—besides sitting on the stage with McCain, how are you occupying your time? [*Laughter*]

[*Mrs. Gallardo-Weller, dispatcher, Southwest Gas Corp., Phoenix, AZ, made brief remarks.*]

The President. Let me interrupt you there. I'm sorry to interrupt, but let me—I don't remember talking about 401(k)s when we were growing up. As a matter of fact, baby boomers like me really weren't thinking about what's now called a defined contribution plan. In other words, first of all, we never worried about Social Security. We never talked about Social Security. But we were never really thinking about setting aside retirement accounts which we would manage. In other words, when I was 33 years old, I don't think a lot of people my age were talking that way. And now you've got a 33-year-older sitting on the stage with the President saying, "I set up my own 401(k)." In other words, she's investing her own money.

Is that not true?

Mrs. Gallardo-Weller. My father made me. [*Laughter*]

The President. Sometimes dads impart knowledge. [*Laughter*] Girls, remember that, will you? Anyway—[*laughter*].

Mrs. Gallardo-Weller. And I do thank him for it. He's right there.

The President. There he is. Good job, Dad. You're just warming up. You're doing good.

[*Mrs. Gallardo-Weller made further remarks.*]

The President. It's a very interesting statement she just said. It's the new reality of the Social Security system. Do you realize—one time a young person walked up to me and talked about a survey that said young people in America thinks it's more likely they'll see a UFO than to get a Social Security check. [*Laughter*]

Senator McCain. On the issue of personal savings accounts, my friend, I think you should understand that not only do Federal workers but also Members of Congress can avail themselves of it. We can invest in one of five different groups. The average return of those five different groups over many years now has been between 6 and 9 percent. Compare that with the 1.8 percent that is the interest on the money that goes into the Treasury. My friends, this is not the solution to Social Security, but isn't it a way to help everyone's retirement and give them a much better kind of lifestyle than the one they would get under the present system? Private savings accounts work. They have been proven to work not only in America but all over the world, and we ought to really strongly support it.

The President. In other words, what the Senator says, you can't take your money and put it in the lottery. [*Laughter*] You've got a lottery here? You do? Well, you can't use it in the Arizona lottery. You put it in a conservative mix. In other words, there's a range of options. I don't know, are you comfortable with that concept?

Mrs. Gallardo-Weller. Actually, I am. In the 9 years that I've been putting in the most—maximum amount—I work for a good company that matches it, and I thank the Southwest Gas for that—but I've seen, even with the country and the economy going up and down, I've seen a positive rate of return.

The President. And do you get a quarterly statement of what—how do you catch up with——

Mrs. Gallardo-Weller. I do get a quarterly statement, and I can see where things are moving, and it's long term. My 401(k) is not something I'm putting in for now; it's long term. So, from what I understand, your plan pretty much does the same thing.

The President. Well, absolutely. You can't—in other words, if this is a part of a personal—personal accounts are part of the Social Security, you can't pull your money out until it comes time to retire. And then you can't pull out the capital; you pull out the interest and you live on it, and then you leave your money to whomever you want. That's the way it works. It is a long-term hold.

You know, how about the idea of younger folks on a quarterly basis watching their asset base? Now, think about that. Doesn't that make sense for Americans all across this country to open up their mail and say—watch their assets—"Here's my worth." This is a real asset as opposed to a promise that the Government may or may not be able to keep, but an asset, something you call your own.

And let me say one other thing. The more savings that we have available in our economy, the more money available for investment; the more money available for investment, the more our entrepreneurial spirit remains strong; and the stronger the entrepreneurial spirit, the more likely somebody is going to find a job. In other words, encouraging savings is good for our economy.

Listen, I want to thank our panelists. I want to thank you all for coming. I hope you found this to be as interesting a discussion as I did. I hope you all take away from here this—a couple of things. One, if you're a senior, you're going to get your check. Two, we've got a problem for younger Americans. Three, now is the time to solve the problem. The longer we wait, the more difficult it is going to be to solve the problem. And four, there are some interesting ideas that empower the individual, that make the system better for the individual American.

I'm going to keep talking about it. I know the Senator is going to keep talking about it. You talk about it. You talk about it to your friends and neighbors. This is an issue that the American people will—help decide the future on this issue. I'm absolutely convinced of it, because once the Members of Congress hear from the people that there is a serious problem, the next question from the people is going to be, "What are you going to do about it?" And the Members here—that are here and the Senators that are here, we're ready to work with people to get it done.

I want to thank you for giving us a chance to come and discuss this issue. I want to thank the chamber. God bless you all.

NOTE: The President spoke at 11:45 a.m. at the Tucson Convention Center. In his remarks, he referred to Mayor Bob Walkup of Tucson, AZ; Arizona Secretary of State Janice K. Brewer; Ken Bennett, president, Arizona State Senate; James P. Weiers, speaker, Arizona State House of Representatives; Steve Touche, chairman of the board, and John C. "Jack" Camper, president, Tucson Metropolitan Chamber of Commerce; Ken

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 a 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) culture. 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 nonprofits—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 presumption 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.

Remarks in a Discussion on Strengthening Social Security in Albuquerque
March 22, 2005

The President. Thank you, Pete. Thanks for allowing me back in the State. It is very gracious of the people of New Mexico to not only let in a Texan—[*laughter*]—but to let in somebody from Arizona as well—[*laughter*]—and from California, I might add.

Listen, thanks, Pete. I appreciate your leadership. Pete, as you know, is a class act. He is a—he loves New Mexico, and he loves our country. We spent a lot of time talking about energy this morning. He and I are deeply concerned about the price of gasoline. We are worried about the trends taking place. We understand that we need to work with Congress to get a bill out that will encourage conservation, encourage alternative sources of energy, encourage research and development to help us use energy in wiser ways; a bill to modernize the electricity grid; a bill to encourage environmentally friendly exploration; all aimed at making America more economically secure and less dependent on foreign sources of energy. And I want to thank you for your leadership, Pete. Thanks for your leadership on the issue.

I'm proud to be here with John—John McCain. We traveled yesterday in Arizona and then Colorado and here in New Mexico. He's fixing to go back home, as am I to Texas. But the reason why I'm so pleased that John came—and you'll—we'll talk to him in a minute—is because he, like Pete, understands now is the time to get something done on the big issue of Social Security.

I'm also pleased he's here because John has been one of the true stalwarts in understanding what I call the freedom agenda. For the youngsters here, I want you to understand that you're now living in an historic time. Freedom is changing the world. We acted to secure our country, upheld doctrine—by upholding doctrine, and we said to the Taliban, "If you harbor a terrorist, you're equally as guilty as the terrorist." We moved to uphold the doctrine and protect America, but in so doing, we liberated millions of people from the clutches of a barbaric regime. And millions of people in Afghanistan went to the polls to vote for their leadership for the first time in 5,000 years.

I believe there will be a democracy in the Palestinian Territories, and that's essential to achieve the peace with our friend and ally Israel. I was inspired by the elections in the Ukraine. I've been very inspired by the courage of the Iraqi citizens, who in the face of terrorist threats said, "We're going to be free," and they went to the polls. These are important events because free societies will be peaceful societies. As freedom spreads, the world becomes more peaceful. And I believe we're now laying the foundations for peace to come for a generation of Americans that are growing up now, and that's an important legacy.

I want to thank those who have worn our uniform. I want to thank those who are wearing the uniform. I want to thank the family members who support those who wear the uniform. I want to thank the Members of the Congress who clearly see the vision of a peaceful world.

I appreciate the Young at Heart Choir for joining us. We should have gotten here earlier, but Pete and I went over to a retirement center, and we wanted to say hello to the folks there. My message to them was, just like my message is going to be several times today, if you're getting a Social Security check, you're going to keep getting your check. I don't care what they're telling you; I don't care what the fine print in the political ads say, you will get your check. The Government is going to keep its promise. So you may hear me

say that a couple of times today because I know how important that is for the people who are getting a Social Security check to hear that message.

I also want to tell you that Laura sends her best. I spoke to her this morning. She is—I said, "How's everything at the ranch?" She said, "Barney is doing fine." [*Laughter*] I'm looking forward to spending Easter in Texas. It's a joy to get out of the Nation's Capital. I love my job, but I also like to get out amongst the people. I like to get home. I like to remember—to go back to my roots, where I was from. But I also like to come to places that—like Albuquerque because I believe that it's important for those of us in elected office to tell the people what's on our mind, to explain issues.

Now, let me start off on Social Security by telling you I believe the President's job and I believe Senators' jobs are to confront problems, not to pass them on to future Presidents and future Congresses. I believe that is why we get elected in the first place.

We have a problem in Social Security. Franklin Roosevelt did a good thing when he created the Social Security system, and it has worked for a lot of folks. Social Security has provided an important safety net for many, many senior citizens. But what I want to explain to you—and I think others will here as well—is that times have changed. The math has changed on Social Security. In other words—let me put it to you this way: There's a lot of people getting ready to retire called baby boomers. I'm one. I was born in 1946. My retirement age—I reach retirement age in 2008. It turns out to be a convenient moment. [*Laughter*] There's a lot of people like me that are starting to retire in 2008. There is a bulge, baby boomer bulge, a lot of us.

Interestingly enough, we are now living longer than previous generations. When Social Security was first started, life expectancy was a heck of a lot lower than it is today. Plus, many politicians in previous years ran for office saying, "Vote for me. I will increase your Social Security benefits. In other words, I'll increase the promises." So my generation has been promised more benefits than the previous generation. A lot of us, living longer, getting paid more money, with fewer people paying into the system—that's the other side of the equation.

This chart, for example, shows in the 1950s there were 16 workers for every beneficiary. In other words, the load was pretty light. Today, it's 3.3 to 1 workers—in other words, 3.3 workers to every beneficiary. You got a lot of us living longer, getting greater benefits, with fewer people paying the load, see. And pretty soon it's going to be 2 to 1. And so you can imagine, longer life with greater beneficiaries—in other words, the obligations are increasing quite dramatically with fewer people carrying the load. And guess who gets to carry the load? The young workers.

And the fundamental question—this isn't an issue, frankly, about the older generation. You're going to get your check. You're in good shape. It's really an issue of whether or not this Government and this country understands the burden we're going to place on young Americans coming up. That's what the issue is all about.

And here is the burden. This is a pay-as-you-go system: Money goes in, and it goes out. Somebody probably thinks, "Well, there's a trust"—in other words, we're taking your money and we'll hold it for you, and then when you retire we give it back to you. That's not how it works. It's pay-as-you-go: The money comes in, and we go ahead and pay. We pay for a lot of things other than Social Security. The retirement checks are sent out, and if there's money left over, it goes to fund all aspects of Government. And what is left behind is a piece of paper, an IOU.

In 2018, because the math has changed, more money will be going out than coming in for Social Security. People will be paying payroll taxes, but because baby boomers

like me are retired and we're living longer and we're getting bigger benefits than the previous generation, the system turns into the red. And every year thereafter, if we don't do anything, it gets worse and worse and worse.

To give you a sense of how big the problem will be for a younger generation and younger workers, in 2027 we'll be $200 billion in the hole. That's 200 billion more than coming in for payroll taxes. It will be bigger in 2028, 2029, and in the 2030s it gets up to 300 billion. So you're getting a sense of the magnitude of the problem. Unlike the old days, when 16 workers would pay into the system for every beneficiary, it was a manageable issue; the math worked. The math doesn't work now.

And that's why I went in front of the Congress and said, "Folks, we got to do something now before it's too late." The experts will tell you the longer we wait, the harder it is to get the problem solved. And so that's why I'm traveling the country. I'm saying two things right off the bat: One, we have got a serious problem for younger generations; and two, if you're getting your check, if you're born prior to 1950, the Government is going to keep its promise to you, nothing changes.

Now, at my State of the Union, I said to the Congress, "I'm willing to listen to any good idea." I said, "Bring your ideas forward, please." In order to solve this problem, it's not going to be a Republican idea or a Democrat idea, it's going to be an American idea brought forth by both—either Republicans or Democrats or both. That's what needs to be done on this issue. That's what we got to do to fix it permanently.

I'm confident John will talk about the spirit of the 1983 agreement, but let me just say right quick, in 1983, President Reagan, Tip O'Neill, and others came together and said, "Hey, we got a problem. Let's fix it." It was a 75-year fix, but nevertheless it was a very positive spirit that got people to the table. The problem with the 75-year fix is here we are in 2005—it's 22 years after 1983; it's not exactly 75 years. The reason I bring that point up is when you hear them talking about a 75-year fix in Washington, the math doesn't work. If we're going to fix it, let's fix it forever, is what I'm saying to Members of Congress. Let's come to the table—all ideas are on the table—and let's get this problem solved once and for all.

Now, I've got an idea that I think the American people ought to seriously consider, and that is younger workers ought to be allowed to set aside some of their own money in a personal savings account as a part of the Social Security system—not the way to fix the system; it's going to require other matters to fix the system—but as a way to make the system better for the individual worker.

Let me tell you why I like the idea, and then we're going to get to our panelists. First, I like voluntary ideas. In other words, if you so choose, you should have the option. The Government is not going to say, "You must do this," but if this is an appealing idea for you, then you ought to be allowed to take some of your own money and set it aside in a personal savings account that you own yourself.

Secondly, the rate of return in a conservative mix—and notice I say "conservative mix"—of bonds and stocks is greater than that which the Government earns with your money. And that rate of return, the bigger rate of return, is important, because over time, if you hold it, your money grows, see. And it's that growth, that compounding rate of interest, that will make the system better for the individual worker.

Let me just give you an idea. If you're earning $35,000 over your lifetime, and, say, the system says you can take a third of your payroll taxes and put it in a personal account and in a conservative mix of bonds and stocks, that will yield you, over your lifetime, when you get ready to retire, $250,000, see. And the way the system would work is that 250,000 is yours;

you live off the interest off the 250 plus that which the Government can afford to pay you.

Now, another benefit of having your own personal account is that it's yours. It's real. It's not an IOU from one form—part of Government to the other, like the current system does. It's your asset. It's something you own. And I like the idea of encouraging ownership throughout all walks of life. You can leave it to whomever you want. You see, it will help you in your retirement. You can't liquidate the plan upon retirement because it's a part of the retirement system. But your estate, you can leave it to whomever you want. You want to leave it to your daughter, fine. Leave it to—you want to leave it to Colin, your son, leave it to your son. And then that person can use it for whatever he or she chooses.

Secondly, it's—or thirdly, this is fair for families. The way the current system works today, if you got two folks working in the family, they're both contributing to Social Security, the husband or wife dies young, the spouse either gets either the survivor benefits or his or her own Social Security check, which is ever higher, but not both. You see what I'm saying? I'm saying both contribute to the system, but if only one is living—in other words, a lot of folks die young, unfortunately, in America—it means that the spouse is only going to get the benefits of one person's contribution, not both. That doesn't seem fair to me. If somebody has worked all their life, or 30 years of their life, and dies early, it seems like that contribution ought to be worth something to the family.

And that's what a personal account will do. It will allow you to earn some money; it grows over time; and if you pass away early, it's an asset you can pass on to help your widow or your children get an education.

A couple other points—and Laura always tells me to make sure I don't talk too much. Sometimes I listen; sometimes I don't—anyway—[*laughter*]. You're happy to hear I listened today. A couple other points I want to make to you. First of all, you noticed I've been saying a "conservative mix" of bonds and stocks. In other words, you can't take your money and put it in a lottery. You can't take it to the track. There is a—there's a way that you invest in a—that will get you a good rate of return without, obviously, risking your retirement.

And you know why I feel—I speak confidently about this subject on being able to have a rational plan for people to be able to get a better rate of return, because this isn't a new idea. It's a new idea to apply it to Social Security, but it's an old idea. The Federal employee Thrift Savings Plan allows for Federal employees to do just what I'm describing to you, take some of their own money, set it aside so their money grows faster.

My attitude is pretty clear on this one. I said if Congress thinks it's good enough for the Federal employees, including themselves, sure seems good enough for the average worker in America. And so I'm talking about these ideas as a way to make the system work better for an individual worker as a mix, as a part of an overall solution, permanent solution, because I believe all ideas ought to be on the table. And I think the American people want all ideas on the table. I think the American people expect members of both political parties to come and negotiate in good faith with all ideas on the table, in order to solve this issue permanently.

Joining us today is a really interesting soul named Fidel Vargas. Fidel is from the great State of California. Fidel is a person I got to know because, interestingly enough, in 2001, I anticipated that—I actually campaigned on the issues. It wasn't much of an anticipation on my part; I was following through on what I said I would do and take a serious look at solving the Social Security solvency issue. And I put together a bipartisan Commission, of which Fidel was one.

Fidel, you are a Republican or Democrat on that Commission?

Fidel Vargas. I'm a Democrat.

The President. Welcome, welcome. Tell you something interesting about Fidel, he was *alcalde*—he was the mayor of a city in California—at what age?

Mr. Vargas. Twenty-three.

The President. Yes, the guy peaked a little early, didn't he, you know. Anyway, Fidel, welcome. Thanks. Tell us about your experiences on the board, if you don't mind.

[*At this point, Mr. Vargas, former member, President's Commission to Strengthen Social Security, made further remarks.*]

The President. Thank you. Thanks very much.

Mr. Vargas. And just to give a background, again, I said I was a Democrat. I know, I thought being from California was going to be bad, but—[*laughter*].

The President. A lot of Democrats out here. There's people interested in this issue, Fidel.

Mr. Vargas. Yes, that's good. That's good, because I am a Democrat, and I was telling the President I'm a progressive Democrat and a big fan of FDR and a big fan of people like Senator Moynihan, who I served with on the Commission. And yet I realize that this is an issue that has to be addressed by all.

[*Mr. Vargas continued his remarks.*]

The President. Think about that, a payroll tax at 20 percent. If you're a young worker, a young American, you better be listening to the problem. The problem is, you'll be saddled with a 20-percent payroll tax. That's not going to work. That would be terrible for the economy. It would be terrible for your pocketbooks. Sorry. You got my attention.

Mr. Vargas. And my—no, absolutely. It got my attention, too, when I heard that. Or cut benefits for future generations.

[*Mr. Vargas continued his remarks.*]

The President. Let me say one thing on that, sorry. There was a guy named Pozen on the Commission who has come up with some interesting ideas to make the system progressive for future retirees. And we accept that concept; it makes a lot of sense. In other words, there's ways to design the system to be fair to people who are, particularly, at the low-income scale. And I appreciate your work on that. I know you had a lot to do with that, and it's an idea that a lot of people in Congress are taking a serious look at, and we welcome that idea.

[*Mr. Vargas made further remarks.*]

The President. Yes, Fidel, thanks. What a wonderful contribution that you made individually, that the Commission made to this debate. There's some ideas that they put on the table that will help permanently solve the issue. But more—as importantly, they set a clear example of how people should work together. Again, I repeat to you, this is going to require a focused effort by people—leaders on both sides of the aisle to come together with good ideas to do what the people expect us to do.

Somebody who understands that clearly, besides Pete Domenici, is John McCain. I appreciate you coming, Senator.

Senator John McCain. Thank you very much, Mr. President.

The President. Glad to have—glad you came back.

Senator McCain. Thank you, and thank you for this time I've been able to spend with you on this very important issue. And by the way, I like his tie today, don't you? [*Laughter*]

The President. Part of the Social Security uniform, yes. [*Laughter*]

[*Senator McCain made further remarks.*]

The President. John, thanks very much. I appreciate you coming. The spirit of the Commission, the spirit of the Senator is the spirit that's needed to fix this, and that is people of good will need to sit down.

Here's what I believe. I remember this issue, people saying, "Well, you better not talk about the issue; there will be a bad political consequence." I believe there will be a bad political consequence for people who are unwilling to sit down and talk about the issue. I think the American people expect people from both parties to stand up and take the lead and solve this issue for generations to come; that's what I believe.

Speaking about generations and generations to come, we've got Margaret Valdez with us. Margaret, thanks. First, I want to thank you for being a schoolteacher.

Margaret Valdez. I'm Margaret Valdez, as he said. I'm a retired schoolteacher. I get a retirement pension. I also get Social Security. I am 78 years of age, and therefore I get Social Security.

The President. I don't believe it. I don't believe it. Where did you teach school?

Mrs. Valdez. I was a teacher in the Espanola school system. I was a science teacher and retired after 28 years of teaching.

The President. Well, thanks for teaching. By the way, anybody out there want to serve the country, go ahead and be a teacher. It's a great way to serve the country.

Anyway, you're getting a Social Security check.

Mrs. Valdez. I sure do.

The President. And you need it.

Mrs. Valdez. And I need it.

The President. You've got to—the reason why Margaret's point is an important point, we understand—I understand; John understands; Pete understands—a lot of people rely upon the check. It's an important part of their life. That's why none of us want to put a system in place that touches that check. It's essential that you hear that.

Are you worried about getting your check, Margaret?

Mrs. Valdez. I am not worried at all.

The President. Good.

Mrs. Valdez. I have assured my friends and people—in fact, Senator Domenici and I, at one time, were on the same stage, assuring the people that nothing was going to happen to your Social Security.

The President. You can rest assured your assurance is good. [*Laughter*]

[*Mrs. Valdez made further remarks.*]

The President. No, I agree. In other words, what—Margaret's concern is, will the safety net that exists today for the seniors be around for a younger generation? It's really an issue—this is a generational issue, folks. It really is. The generation now receiving the checks can rest assured you're going to get your check. And what's going to end up happening is, once that assurance sinks in, your generation is going to start saying, "What are you going to do about my grandkids?" That's why it's a generational issue.

Speaking about grandkids, you've invited one to join us, haven't you?

Mrs. Valdez. Yes, I sure did. I have to introduce to you my oldest granddaughter, Jessica Valdez.

The President. Thank you for coming, Jessica.

Jessica Valdez. Thank you, Mr. President.

The President. Great grandmother you got here, right?

Ms. Valdez. Yes, yes, she's great.

The President. That's good.

Ms. Valdez. She's concerned about my future. I'm only 24 years old and a recent graduate from the University of New Mexico.

The President. Congratulations. Very good. Proud of you.

Ms. Valdez. I'm sorry?

The President. I'm proud of you. That's great.

Ms. Valdez. Thank you. Thank you. I'm currently in the process of applying to medical school, so because I have not yet started my professional career, I have not yet started thinking about retirement. But I have been working since I was 16 and therefore paying into the system every two

weeks, seeing it taken out of my check since I was 16.

The President. So you're aware of the fact that you're contributing to take care of the grandmom, and pretty soon starting taking care of me—[*laughter*]—and the baby boomers.

Ms. Valdez. I am aware of that. I'm also aware that if the current system does not change, when I do become of age to retire, more than likely I will not have any money that I have paid into the system.

The President. You know what's really interesting—this is an appropriate State to say this, Pete—that an interesting survey one person Jessica's age told me about said young Americans believe it's more likely they will see a UFO than get a Social Security check. [*Laughter*] Kind of makes for an interesting dynamic, doesn't it, in the process.

Ms. Valdez. Yes, it does.

The President. See, if a lot of young Americans believe that, once they get assured that their grandparents are going to get their checks, the second question they'll ask—the first question is, "Will my grandmother get the check?" The second question is, "What are you going to do for me, Congress? What are you going to do to make sure that I don't have a huge burden when I'm coming up—20 percent payroll tax, perhaps? No benefits? UFO flying before checks fly?" [*Laughter*]

A lot of people your age starting to talk about this, Jessica, do you know?

Ms. Valdez. Yes, yes, they are.

The President. Good, I hope so.

[*Ms. Valdez made further remarks.*]

The President. Yes, 401(k), it's an interesting thought. I don't remember talking about them when I was 24. Do you? No, which goes to show there's an investor culture beginning to grow in America. It's changing.

Ms. Valdez. Yes, well, we need to save for ourselves in case it's not there for someone to save for us.

The President. Yes. See, Fidel said something really interesting that caught my attention: There is what's known as kind of the investor class, like only certain people are investors in America. To me, that's a notion that's just not American, nor is it something I agree with. I think all people should be encouraged to be investors. I think the more people that own something, as Fidel said, the better off our society will be.

And that hasn't been the case in our society. The truth of the matter is, some segments of our society have not had asset bases to pass on from one generation to the next. And it has been a limiting part of the U.S. experience. So here we have a young lady talking about 401(k)s and willingness to invest, and, "I want to manage my own money." Things are changing here, folks. And all we're saying, in terms of considering an interesting idea, is take what's happening in the society and applying it to the Federal retirement system called Social Security. That's what we're talking about.

Ray Zamora—thank you very much for coming.

Ms. Valdez. Thank you. Thank you very much.

The President. I think—I hope that people get the picture: grandmom worried about granddaughter; granddaughter happy that grandmom is going to get the check, worried that she's going to see the check or whether she can afford paying into the system. And that's the dynamic, and that's the issue that this country must confront head on.

This isn't a political issue. This isn't Democrats trying to get ahead of Republicans or Republicans trying to get ahead of Democrats. If that's the spirit in Washington, nothing is going to get done. But I can assure you, people on this stage are trying to get that spirit out of the system. We're trying to elevate this debate and focus on what's right for the American people.

Ray Zamora is here, small-business owner.

Raymond Zamora. Thank you, Mr. President.

The President. Is that an accurate statement?

Mr. Zamora. Small-business owner.

The President. Good, yes. What's the name of it?

Mr. Zamora. My name is Ray Zamora. I'm married, have three children. I own a local construction company, Anchorbuilt. We currently employ 10 employees.

The President. Good. What do you do?

Mr. Zamora. We do——

The President. Build anchors? [*Laughter*]

Mr. Zamora. It's really where—the basis started with my wife. It's a long story.

The President. Okay.

Mr. Zamora. As far as the name goes, play on words. And we do mainly institutional construction and commercial.

The President. Good, good. Business all right?

Mr. Zamora. Business is very good in Albuquerque, New Mexico. It's booming.

The President. Yes, good. Do you realize—I hope you realize, folks, that most new jobs are created by small-business owners like Ray. Don't you like the idea of somebody sitting up here with the President and two Senators saying, "I own my own business"?

Go ahead.

Mr. Zamora. My biggest concern with Social Security right now is, as an employer we see both sides, paying out as an employer to the Social Security tax and also see the employee payout. And our biggest concern would be that taxes would increase, and that would have a negative impact on us as a small business.

The President. Yes, so he's hearing what Fidel just said. He's been studying the issue. He sees there's a cash deficiency, and he figures rightly that in order to make up for the cash deficiency, if we wait long, one of the options is going to be to run up his payroll tax, which not only affects the worker but it affects the employer, particularly the small-business owner. Isn't that right?

Mr. Zamora. Yes, sir. It affects us. And I believe that with the Social Security growth potential that an employee would have, it would complement any 401(k) or any other investment opportunities that they would have. It would have a positive impact on them.

The President. Yes, we hear from small-business owners on this issue. You know, it's a pretty healthy chunk to put their part of the payroll tax—to pay the payroll tax for a small business. Ten employees, guy is making a good living, but taxes coming out, and it's a big, significant part of their contribution into the tax—to the kitty.

And so I hear from small-business owners saying, "Don't you think you better fix this thing now, before it's too late, just to make sure the contributions I made, the hard work that we've all done together and we've put it in the plan doesn't just go out the window?" Isn't that right?

Mr. Zamora. Yes, it is.

The President. I'm leading the witness here. [*Laughter*]

Mr. Zamora. Yes, it is.

The President. Not even a lawyer. [*Laughter*] Well, I appreciate you coming.

Mr. Zamora. Thank you, Mr. President.

The President. Honored you're here. Good luck in your business. Thanks for being a risktaker and an entrepreneur.

By the way, let me say something about entrepreneurs. I'm violating the Laura rule; I'm talking too much. [*Laughter*] But I think the salient points are—and I know they keep popping in my head; we'll find out how salient they are—in order for the entrepreneurial spirit to remain strong in America, public policy must encourage more savings. The more people save, the more capital is available; the more capital available, the more investment is available; and the more investment available, the more growth there will be; the more growth there will be, the more jobs there

will be. The idea of encouraging personal savings accounts will make more capital available to a system, and the entrepreneurial spirit will be stronger, not weaker. And that's another benefit of encouraging personal accounts.

Our final participant, Terri Walter.

Terri Walter. Yes.

The President. That's you. [*Laughter*]

Ms. Walter. That's my name.

The President. Thanks for coming.

Ms. Walter. You're welcome. Thank you for having me.

The President. She has the hardest job in America, being a single mom.

Ms. Walter. Single mother.

The President. Thanks for coming. Single mother to whom?

Ms. Walter. His name is Colin. He's 3. He'll be 4 next month.

The President. Great. Better than being 2, I guess, isn't it? [*Laughter*]

Ms. Walter. Maybe not.

The President. Maybe not—well, just wait for teenager. [*Laughter*] You are concerned about Social Security.

Ms. Walter. I am. I am—I will graduate next month with my master's degree as a physician assistant.

The President. Awesome, thank you. Congratulations.

[*Ms. Walter made further remarks.*]

The President. That's the spirit of personal accounts. That's the spirit of a single mom saying, "Can Government make it easier for me to do my duty, not only make sure that I can survive in the older years but, also, will I have an asset to pass on to Colin?" It's really what it's all about, isn't it, encouraging ownership and assets to pass on from one generation to the next.

Let me ask you something—401(k)—people know, of course, what that is, right—401(k), it's a common term now. Everybody understands what a 401(k) is. That wasn't always the case. It wasn't all that long ago that you said "401(k)" and people thought you were talking numbers and one letter out of the alphabet and that's all it meant. Let me ask you something. When you first got your 401(k), was it hard to invest?

Ms. Walter. No, not a lot. There's a lot of guidance in it. You're given options between stocks and bonds and it's made very clear at the setup, at the beginning, and very little to do after that.

The President. You see, that's really important for people to understand. You hear this, you know, "Oh, maybe it's too hard for some in our society to invest." That's kind of the old attitude that only a certain kind of person can invest. "Maybe it's too difficult." It's not too difficult. Matter of fact, it's quite—it's made quite easy.

Ms. Walter. Yes, it is.

The President. And you get quarterly statements?

Ms. Walter. Absolutely. You can follow—that's the empowering part. You can see what you're doing with your money.

The President. Yes, how about that. Don't we want that throughout all society, the idea of people opening a quarterly statement? I can think of a couple of positive things when somebody opens up their own savings and says, "I want to see how my assets are doing." One is, it will cause you to pay attention to what Government is doing. All of a sudden, tax policy, spending policy, debt policy—all of a sudden it makes a lot more sense to you if the effects of Government affect your asset base. Secondly, I think it makes a lot of sense for people just to watch things grow. And we want that extended throughout our society.

I love the idea of Terri Walter saying to the President, "I'm comfortable about making investments." And that's what planners and policymakers in Washington must understand. This is an empowering idea. This enriches a person's life. This is a way to make the system work better for Terri Walter, who's got the hardest job in America, raising her son, Colin. And she just said in camera, "I'm not worried about making the investments; they make it quite

simple." But what she doesn't want, I presume, is her money not earning a rate of return that she can get like she's getting in her 401(k).

Ms. Walter. Exactly.

The President. Yes, see, there we go. I hope people are listening carefully to this discussion and the dialog that's taking place. We've got people from all aspects of our society sitting here on stage saying to those of us who have been charged with the responsibility of taking on tough problems, "Get after it now, before it's too late." And people are saying, "Trust us with our own money. Give us a chance to build up our own assets, earn a better rate of return," so that when it comes time for younger Americans to retire, the retirement system works better for them.

The safety net works for our seniors. The safety net is in place for those who are receiving a check today; you have nothing to worry about. There's a hole in the safety net for a generation to come. And our charge and our duty is to mend that hole in the safety net so that the American people will say, "Job well done. You did what we expected you to do and reformed Social Security for generations to come."

Thanks for coming. God bless. God bless our country.

NOTE: The President spoke at 9:05 a.m. in the Kiva Auditorium. In his remarks, he referred to Robert C. Pozen, former member, President's Commission to Strengthen Social Security.

The President's News Conference With President Vicente Fox of Mexico and Prime Minister Paul Martin of Canada in Waco, Texas
March 23, 2005

President Bush. Thank you all for coming. It's my honor to welcome two friends to Baylor University. First, I want to thank the Baylor University family for providing these facilities for us. Your hospitality is awesome.

I appreciate the meetings we just had. Our relationships are important today. We intend to keep our relationships strong. Our relationships will be equally important for the years to come.

And so we had a good discussion about prosperity and security. And it turns out the two go hand in hand. It's important for us to work to make sure our countries are safe and secure, in order that our people can live in peace as well as our economies can grow. We've got a lot of trade with each other, and we intend to keep it that way. We've got a lot of crossings of the border. I intend to make our borders more secure and facilitate legal traffic.

We've got a lot to do. So we charged our ministers with the task of figuring out how best to keep this relationship—these relationships vibrant and strong. And I appreciate the commitment of the Prime Minister and the President toward a spirit of partnership to outlast whatever politics may occur; that puts in place a firm commitment to markets and democracy and freedom and trade and mutual prosperity and mutual security.

And so I want to welcome our friends. After we go through this exercise of democracy—that being answering your questions—I'm looking forward to hosting them to the ranch for a little lunch and a further discussion. We'll be spending time talking about the neighborhood, the countries in our region, and how best we can work together to make sure that democracy is firmly a part of the future of this neighborhood of ours.

And so, Mr. President, welcome. The podium is yours, sir.

President Fox. Thank you very much, President Bush. I want to also extend a greeting to Prime Minister Paul Martin and my gratitude for this wonderful reception, for this wonderful facility here at Baylor University, and, of course, my gratitude to the authorities here in Waco, the venue of this important event.

Today we have met to hold a very important encounter that has to do with the future of our nations. In the last decade, trade between our countries, the flows of investment, of the creation of jobs have held a good pace. And these efforts have been successful thanks to NAFTA. This bilateral cooperation, this trilateral cooperation has now become strengthened, and it has expanded. But above all, we are making progress on a daily basis toward greater understanding, toward greater knowledge and greater cooperation between our three Governments and our three countries.

Through the Partnership for Security and Prosperity and the quality of life of North America, today we begin a new phase. We are in a world that is constantly changing and that demands that we meet the new challenges and opportunities. We also face new threats that carry a risk for our societies. But we also want to work toward the good performance of our economies. This is why my Government is working toward a true coordination with our partners in North America. We are seeking an objective balance between the concerns that have to do with security and those that have to do with having a good and agile flow of goods and people across the borders.

North America should be the most competitive region in the world. It should be the safest region in the world. And 10 years ago, we took a great step in that direction. As Governments, we are obligated to turn this objective into a permanent process, to continue taking steps forward. This Partnership for Security, this Partnership for Prosperity, for the quality of life can have no other objective beyond improving the quality of life, itself, and the development of our peoples and of our societies.

Today my friend from Canada, Mr. Paul Martin, and the President of the United States, George Bush, all of us feel proud to present this joint statement to you. It reflects a shared vision for North America that will be a framework for cooperation, for partnership between our Governments and nations.

Thank you.

Prime Minister Martin. Good afternoon. It's a real pleasure to be here in Texas and to stand with President Bush and President Fox as representatives of a strong North America. We represent three sovereign nations that have formed one of the most successful partnerships in the world.

That being said, we also recognize that we cannot be complacent. The world is not standing still. New economic powerhouses such as China and India are rising, and we face new opportunities, but we also face new challenges. And this requires a new partnership, stronger, more dynamic, one that is focused on the future. We are determined to forge the next generation of our continent's success. Now, that's our destination. The Security and Prosperity Partnership that we are launching today is the roadmap to getting there.

I'm going to be a little longer than you were, President Bush, because I've got to do this in two languages. [*Laughter*]

Here in North America, we have many achievements to celebrate. But we do know that we cannot be complacent. The world does not stand still. New opportunities present themselves, as well as new challenges, as well as threats. In a world in constant change, we need a renewed partnership, more strong, dynamic. And we must have a roadmap that will bring us there. The roadmap is the North American Partnership for Security and Prosperity, which we are starting today.

[*At this point, Prime Minister Martin continued in English.*]

[*Inaudible*]—ways to help our citizens with healthier, safer, and more productive lives; for good jobs, for higher income; as well as a secure continent, cleaner water, cleaner air.

One thing is very clear, and that is when we work together as countries to make North America safer and more competitive, then the fact is all of the continent and all of our citizens benefit from that collective achievement.

The partnership that we are starting today acknowledges the fact that in a modern world, the objectives of prosperity, security, and a better quality of life have never been as interdependent.

What we seek to do is to improve the competitiveness of our industries, expand consumer choice by cutting redtape. We want to eliminate regulations that are a nuisance, not a necessity. And we want to maintain the highest standards of health care and safety for our citizens. We want to pursue agreed approaches based on sound science that will help us avoid the risk of hidden protectionism and, some would advocate, in responding to BSE. And I want to thank President Bush; I want to thank President Fox for the support that they have shown. We look forward to the day in the future when, notwithstanding all of the lobbying, all the legal challenges, all of North America is open to our safe and high quality beef.

In terms of security, we understand that protecting our borders is a crucial checkpoint on the road to our collective prosperity. Our safe borders secure our people not only against terrorism, but they make possible a speedy flow of goods, services, and people and information among our three nations. And standing on the shoulders of the Smart Borders Initiative, we are making new investments in security and in defense spending. Quite simply, Canada is a full and forceful partner in building a secure North America.

We have agreed—and I've got a long list here, Mr. President, which I'm going to forgo, basically a long list of items that we have agreed that we will task our ministers to accomplish, and then we will hold them to account, as we will be held to account by our people. Let me just say that this great—that these measures involve everything from how do we deal with our borders, how do we deal with infectious diseases, and how do we deal with fresh water concerns like Devil's Lake, which I will be talking to you about over lunch.

Let me just say that when a public health risk emerges, we want our laboratory centers in Winnipeg, in Atlanta, and in Mexico City talking to each other. We want to improve our air and our water quality, and we also want to make NAFTA work. And what that means—and, again, this is something we'll be talking about—is that we want the decisions of our dispute settlement panels to be respected and implemented. We want to resolve our differences in a fair manner based on the rule of law. And I'll continue to press for the resolution of softwood lumber dispute, and I look forward to discussing means as to how we make this partnership work better.

Let me just say that we have committed as leaders to meet on a regular basis. We're going to do this to assess our progress.

The efforts deployed over the last decade have been fruitful. It is up to us now to meet the new challenges and to seize the new opportunities that present themselves to us.

Mr. President, the efforts of the past decade have been successful, but as we've said this morning, it now falls to us to respond to new challenges, to seize new opportunities. The Security and Prosperity Partnership is our commitment to do so together.

President Bush. Thank you, Paul. I appreciate that very much.

We'll now answer two questions a side. I'll start with Jennifer Loven [Associated Press].

Theresa Marie Schiavo

Q. Thank you, sir. Can you tell us what actions you support, since the Federal courts continue to decline to allow the reinsertion of Terri Schiavo's feeding tube? And have you discussed options, next steps with your brother the Governor of Florida?

President Bush. I have not discussed next steps with the brother—my brother, who is the Governor of Florida. I have looked at all options prior to taking the action we took last weekend in concert with Congress. And we felt like the actions taken with Congress was the best course of action. This is an extraordinary and sad case, and I believe that in a case such as this, the legislative branch, the executive branch ought to err on the side of life, which we have. And now we'll watch the courts make its decisions, but we looked at all options from the executive branch perspective.

Democracy in the Americas/Immigration Policy

Q. Mr. President Bush, many countries of Latin America in recent years have elected leaders from the left. What possibility do you see as far as the arrival of a leader from the left in Mexico in the future? And on security, how difficult is it for you to keep your national security policy in place when you have a border where terrorists can go through that border, according to your Cabinet? What do you think of those illegal crossings?

President Bush. I am pleased that there are democracies in our hemisphere. As a matter of fact, every country is a democracy except one, Cuba. And that's incredible progress. And I look forward to working with whomever the people of Mexico choose. The choices as to who will lead Mexico—or any other country—is not the choice of the United States President, the United States Government, or the United States people. It is the choice of the Mexican people. And I know the people of Mexico are proud of their democracy. I'm proud of the democratic traditions upheld by Vicente Fox.

In terms of the border, listen, we've got a large border. We've got a large border with Canada. We've got a large border with Mexico. There are some million people a day crossing the border from Mexico to the United States, which presents a common issue, and that is, how do we make sure those crossing the border are not terrorists or drugrunners or gunrunners or smugglers?

And I have told the President that we will—I will continue to push for reasonable, commonsense immigration policy with the United States Congress. It is an issue with which I have got a lot of familiarity. After all, I was the Governor of this great State for 6 years, and I dealt with this issue a lot, not only with President Fox's predecessor but with Governors of border States—Mexican border States, Tamaulipas and Nuevo Leon. And I know what—I know the issue well. And I will continue to call upon Congress to be commonsensical about this issue.

And the basis of the policy is that if there is a job opening which an American won't do, in other words—and there's a willing worker and a willing employer, that job ought to be filled on a legal basis, no matter where the person comes from. That makes sense. We need a compassionate policy. In other words, if this is in place, then someone will be able to come and work from Mexico in the United States and be able to go home, back and forth across the border in a legal fashion. That seems to make sense to me. It's a commonsensical way of doing things.

I think we ought to have a policy that does not jeopardize those who've stood in line trying to become legal citizens. We

want to reward those who have been patient in the process. There's plenty of Mexican citizens who have applied for citizenship. They should—their position in line should not be preempted because of—there's a worker program. But there's a better way to enforce our border, and one way is to be compassionate and decent about the workers who are coming here to the United States.

And, Mr. President, you've got my pledge: I'll continue working on it. You don't have my pledge that Congress will act, because I'm not a Member of the legislative branch. But you will have my pledge that I will continue to push our Congress to come up with rational, commonsense immigration policy.

Cooperation in North America

Q. Thank you, Prime Minister. A question to yourself and to President Bush and President Fox as well. You've been talking about cooperation, what you, Prime Minister, referred to as the new generation of success or the next generation of success. Keeping in mind, in front of us, the European Union, how much is this partnership a first step towards continental integration? If so, how far would you like to go? And can you give us some sort of a roadmap and perhaps give us a distinction between partnership and integration?

Prime Minister Martin. Well, what we're really talking about here is not a big bang; we're talking about big progress. And if you look at each of the areas in which we have tasked our ministers, based on the work that they have already done, that is precisely what is coming out of this meeting, and that's precisely why we want to be able to measure the success and hold people accountable for the targets that we have set.

So when you're talking about security, there's no doubt about the importance of the security of our borders, given the increase in Canada's defense budget, our ability to work together, that obviously we want to make sure that there is the greatest degree of coordination between our defense and our border sources.

In terms of the economy, getting rid of nuisance regulation, making sure that we have better rules of origin, essentially what we want to do is to make sure, given the threat that we face from rising economies elsewhere, but primarily in Asia—both the threats and an opportunity, by the way—that, in fact, North America is as strong and as competitive as it can possibly be. And there should be no restriction on that—quality of life, the environment, how we work together—so that essentially what we really want to do is to make very, very substantial progress and to make sure that we continue to do it, so that the forces of protectionism never take over North America and that we're as competitive as we can.

I just wanted to say that what we're trying to do is not a big bang; what we're truly seeking to do is major progress. And this is in the field of border security, for example, what we have done so far. We went even further, and now the Government of Canada is spending money on its borders and its defense. And we're going much further in terms of elimination of nuisance regulations so that Canada can be competitive in the United States as it is in Canada and Mexico, but also maintaining quality of life, environment, working together. That's what we're seeking to do.

President Fox. Thank you. I feel that the purpose that we have discussed today is clear. This is an objective that has been coming on for several months now as a result of an intense dialog. We are talking about a partnership—that is the key word, "partnership"—a partnership for security and a partnership for prosperity, a partnership that is based on human capital and that aims to improve the quality of life. This is the key element of this new task that we have laid out for ourselves. We have built upon NAFTA's achievements. It is widely—the benefits of NAFTA are

widely known, but now we find new challenges that demand that we take new actions. These actions are defined in the program that is being launched through these precise instructions that we have given our ministers, our working groups, and their instructions are to carry out these ideas in the next 90 days.

So we are going to work through several approaches, and our purposes are based on three pillars of this proposal. The three pillars are security, to address any threat that might arise from abroad, address internal threats. We need to address also the inefficiencies in the movement of people, merchandise, and goods. We must also look to join talent, strategy, and resources to improve North America's competitiveness with other countries and other regions of the world. We need a level of competitiveness that allows us to reach the objectives that we have laid out for ourselves.

We need to reduce the costs of doing trade. We have a lot of trade between our three countries, and we feel that we can still bring down the costs of trade much more, and that will allow the trade between our countries to increase even more. We think that the biggest challenge of the 21st century will have to do with human capital, investing in our people, investing in technology, and that is another thing that we are going to work on.

Moreover, we are partners in protecting the environment. We are partners to protect our natural resources. We are partners to protect the health of our people. And we are partners, too, in the broadest sense of the word. So that is the road that we have before us. We have a timeline, and we have responsibilities to carry out, and we will make sure that these things happen.

President Bush. The future of our three countries will best be served by establishing trade relations with the rest of the hemisphere. It's kind of the most logical extension of a vision that recognizes that common trading areas are going to be needed in order to maintain lifestyle, particularly as the Far East begins to emerge as strong competitors for capital and goods and services and markets.

We started to advance this idea in Quebec City, as a matter of fact, in 2001 with the Free Trade Agreement of the Americas. To me, that's the most practical extension of the recognition of the realities that we're all going to be facing as the 21st century evolves. In order to make sure that the Free Trade Agreement of the Americas has a chance to succeed, it is important to show the sovereign nations in South America that trade has worked amongst the three of us. NAFTA has been a success. All you've got to do is go down to the border of our State. If you could have gone down 10 years ago and gone down today, you would have seen a marked difference of quality of life on both sides of the border. I mean, it's been a very successful program in order to lift the standard of living in Mexico and the United States.

And I think when people see that we're willing to continue to work through issues—Canada, the United States, and Mexico—it may make it more palatable for countries to recognize the benefits of trade. So that the vision that you asked about in your question as to what kind of union might there be, I see one based upon free trade, that would then entail commitment to markets and democracy, transparency, rule of law.

To this extent, we have entered into an agreement with the Central American nations called CAFTA. I think—I know it's an important part of the prosperity agenda throughout the hemisphere, and I asked Congress to make sure that they approve CAFTA this year.

Thank you. Caren [Caren Bohan, Reuters].

Situation in North Korea

Q. Secretary Rice has made clear that the United States is growing impatient with North Korea's refusal to come back to the six-way talks. And there has been talk that

the United States has a June deadline. What consequences would there be if they don't come back to the talks? And also, is China doing enough to keep the pressure on?

President Bush. Thank you for bringing up Secretary Rice. She just got back from her trip Monday evening and came down to Crawford yesterday to brief me on the trip. I'm grateful that she took time out of her schedule to come down and talk about not only the discussions she had with China but discussions she had with South Korea and Japan, the leaders of India and Pakistan. And she also went to Afghanistan, so she had an extensive trip. It was about a 2-hour briefing, I want you to know.

We didn't set deadlines. What we said is what we've said to North Korea, "If you want to—if you want the way forward, if you want to be accepted by the world, if you want not to be isolated, get rid of your weapons programs." And fortunately, it's not just the United States of America saying that. China says that. As a matter of fact, it was here at Crawford that Jiang Zemin, at the ranch, said that the foreign policy goal of the Chinese is for there to be no nuclear weapons on the Korean Peninsula. And Hu Jintao made that clear to Secretary Rice that that is still the objective of the Chinese Government, so we share an objective. We share a goal. The Japanese share that goal. The South Koreans share that goal. The Russians share that goal.

So we've got five nations saying the same thing to Korea—North Korea, and we'll continue saying it to North Korea. And I'm a patient person, and so are a lot of people that are involved in this issue. But the leader of North Korea must understand that when we five nations speak, we mean what we say. And there is a way forward, and I repeat, for Kim Chong-il. And it's his choice to make. We've made our choice. China has made its choice. The other countries have made their choices. And for the sake of peace and tranquility and stability in the Far East, Kim Chong-il must listen.

And so I am pleased with the report I got from the Secretary. I am pleased today that Hu Jintao and the Chinese Government expressed continued interest in this subject and understanding of the importance of the five of us working together to achieve the common objective that we have set out.

Immigration Reform/Energy

Q. Mr. Presidents and Mr. Prime Minister, I wanted to ask you what concrete actions do your Governments want to lay out in order to make this partnership a reality as far as energy markets, which is a very critical issue for all of our countries—energy markets? I also want to ask you, in this Security and Prosperity Partnership, when will you include the migratory—or immigration policy in this partnership? And, President Bush, I wanted to ask you about your opinion about those people who are hunting migrant people along the border.

President Bush. I'm against vigilantes in the United States of America. I'm for enforcing law in a rational way. That's why we've got a Border Patrol, and they ought to be in charge of enforcing the border.

We talked about migration, of course; we spent a lot of time talking about migration. We've got a big border with Canada, a big border with Mexico, and it's an important issue. But the issue on the borders is not just people; it's goods and services. And so the agreements we're talking about, the way to strengthen our relationships, of course, includes our border policy. And we'll continue to include border policy.

I forgot the other part of your three-part question. What's that—you have something else you asked? I can't remember what it was.

Q. About energy.

President Bush. Oh, energy, yes.

Look, yes, we're using a lot of it, and we need to conserve better in the United States. We're dependent on energy from

overseas, and we've got to become less dependent on energy from overseas. We appreciate the fact that Canada's tar sands are now becoming economical, and we're glad to be able to get the access toward a million barrels a day, headed toward 2 million barrels a day. And I want to thank—and that's, by the way, an advantage for open trade. The American people must understand that when there is open trade, it helps solve our energy deficiency.

But one thing we can certainly do is cooperate better on sharing technologies. Look, we're going to have to change our habits. We're going to have to develop a hydrogen-powered automobile. And we look forward to working together. We've got integrated automobile industries between the three of us. And someday, hopefully, our automobile industries in our respective countries will be on the leading edge of technological change when it comes to helping change the habits of our consumers.

We're going to need liquefied natural gas coming into our three countries and into our markets. And I look forward with the Presidents on how to develop more access to liquefied natural gas, which—and there's a lot of natural gas in the world. The question is, how do we economically get it to our respective markets?

I recently went and saw those developing zero-emission coal-fired plants. I think we spent about a billion dollars on what's called the FutureGen Project. Look forward to working with our respective countries on sharing technologies and how to move forward to come up with zero-emissions coal-fired plants.

And so there's a lot we can do and will do on energy. But there's no question the United States of America is hooked on foreign sources of energy. And I put forth a strategy to the United States Congress in 2001; they're still debating it, the issue. Now is the time to get a bill to my desk; this is the year. People see the prices of their gasoline rising at the pumps, and I am concerned, and the American people are concerned. And it's now time to implement the strategies that we laid out in legal—in the law.

But, no, this is a very important subject matter. Thank you for bringing it up. We spent a lot of time discussing it.

President Fox. As far as concrete actions, the first concrete actions are those that have to do with all of the topics addressed by this Partnership for Security and Prosperity and quality of life. And the first concrete actions are going to be a specific charge of 90 days to present detailed ideas at 12 different working groups, working tables that have to do with the general ideas that we are laying out here.

Another concrete action that we have agreed to is that the three Presidents feel that about halfway through this 90-day period of time, we need to be able to assess the direction, the pace, and the degree to which these issues are becoming a reality towards the end of those 90 days. We want to be sure to have that final report be complete with all of the detail necessary, with all of the vision necessary that the Presidents have laid out.

Concrete actions in this sense also have to do with a sector-by-sector analysis so that from these analyses, we can create a strategy sector by sector, perhaps third-generation strategies that go beyond anything we've done before to make the economies work well jointly; also concrete actions as far as security along the borders and especially in our territories. Specifically in Mexico, we want to ensure peace and tranquility for our society. We want to provide guarantee to our people that our security plans are working in every sense. Mexico has a very ambitious security package that starts with our southern border, with our brothers, friends, neighbors, and partners in Central America, where we also want to address the issue of security because, in the end, this has repercussions throughout North America.

Concrete action will be taken as far as quality of life issues, health, education. I repeat, we are going to write these down, write these objectives down in black and white and carry out—and have this plan well configured and consolidated within the next 90 days to make sure that it is feasible, because all of us have a sense of urgency. We want to make North America into the most competitive region in the world, and we can do it with actions in the fields of energy, education, technology, security, and through protecting our natural resources. This should serve to give us the level of competitiveness that we seek.

In effect, we discussed immigration. We discussed it as a trilateral issue. We discussed the issue of border crossings, and how we can protect our borders and be efficient along the border, and also how we can keep people from crossing who shouldn't be crossing and address the threats that our nations have faced. So this is something that we also look at jointly. And in the end, this also has to do with competitiveness, and it also has to do with reaching the objectives that we have for security and quality of life.

Prime Minister Martin. In terms of energy as—we all know of the tremendous capacity that exists within Mexico. President Bush has referred to the tar sands, which are a great, great opportunity. And in fact, the whole energy sector, I think, for all of us is a huge, huge opportunity in terms of our competitiveness with the rest of the world. But in addition to the tar sands, you've got our conventional sources. You've got the Beaufort, the Hull, the question of pipelines that eventually will be addressed.

But there are also other areas, renewables. The President talked about clean coal technology, as an example. Renewables are dependent upon technology. And we're putting a lot now into wind pump—into wind power. There is, in the province of Saskatchewan, a major project going on in terms of CO_2 sequestration, which essentially will be a major factor in fighting—in the whole climate change issue, and tremendous opportunities for us using these new technologies.

But the other thing that I would like to highlight as well, in addition to nuclear, is Canada has great potential in terms of hydro-electricity—northern Manitoba, Quebec, Newfoundland, and Labrador, to simply only give you a couple of examples. And what we've got to do—especially looking at the failure of the electricity grid in North America a year ago—we've got to make sure that that grid is very, very sound. So the opportunities for cooperation are huge.

President Bush. The final question, Paul.

Canada-U.S. Relations

Q. My question is both to President Bush and Prime Minister Martin. You've had some very sharp differences with Canada in the past, especially on issues like missile defense. Has this strained relations? And is the door still open for Canada to join missile defense in the future, something you call fundamental to the defense of North America?

Prime Minister Martin. Our relationships are very, very strong and in a wide range of areas. And the fact that the three of us are meeting here today and that we have put out what is really quite an ambitious program that is going to be measurable, I think is an indication of that.

Are there differences of opinion? Of course there have; there have been throughout our history, and there will be in the future. On BMD, the file is closed. But our cooperation in terms of defense, in terms of our borders, in terms of the defense of our common frontiers, is very—is not only very clear but it is being accentuated. And I've got to take that one step further. The defense of North America is not only going to take place in North America. Canada is playing an increasing load, as an example—role in Afghanistan,

and that's also part of the defense of North America.

So we're working together, and we're going to continue to work together increasingly in the whole way in which we establish a common security, in which we protect it, in our defense.

With respect to the shield, this is an issue that is closed. But in terms of capacity to work together, this is something where we have provided major budgetary increases, because we want to protect ourselves at home in Canada. We want to assume our responsibilities in North America at the border level, in the north, and with the oceans. But we must also say that Canada will accentuate its role in Afghanistan. That shows you to what extent the defense of North America is not only here in North America, but really that speaks of the necessity to bring the battle beyond our borders.

President Bush. It's interesting, "sharp differences." I guess that's—"sharp" means kind of, if you think about what that means, that means maybe differences so that we can't have a positive relationship. I view them—look, we've got differences. I don't know if you'd categorize them as differences that would then prevent us from finding common ground. I don't view it that way. I can understand why people disagree with certain decisions I have made, but that doesn't prevent us from cooperating in intelligence sharing, for example.

You know, a lot is made about softwood lumber, and it's clearly a sensitive issue. I know it firsthand; I've heard it ever since I became elected President. People are frustrated that we haven't got it solved. I understand that. But think about all the trade we've got between our countries. And we've resolved a lot of issues in a positive manner, and we'll continue to resolve them. I mean, we had an issue with cows, and that is getting resolved. I'm amazed that we don't have more sharp—whatever you call them—disagreements because we're doing a lot together.

In other words, what I'm telling you is that I think the relationship is very strong and very positive. And just because somebody doesn't agree with our policy doesn't mean that we can't continue to have very positive relationships. The relationship with Mexico and the relationship with Canada are very important for the United States of America. And there's going to be disagreements and differences. And the fundamental question is, do we have the capacity to continue moving forward with the relationship? And the answer is, absolutely.

And I want to thank the leaders for coming. People of our respective countries will see how vital these relationships are. And I look forward to our ministers reporting back with concrete action. They will be held to account, you're right, Mr. Prime Minister—and look forward to saying to our respective peoples that—and making clear that the relationship between America, Canada, and Mexico is vital to our mutual prosperity, mutual health, and the benefit of our folks.

Thank you all for coming. Good to see you all.

NOTE: The President's news conference began at 11:22 a.m. in the Bill Daniels Activity Center at Baylor University. In his remarks, he referred to Gov. Jeb Bush of Florida; former President Jiang Zemin and President Hu Jintao of China; and Chairman Kim Chong-il of North Korea. Prime Minister Martin spoke partly in French and President Fox spoke in Spanish, and their remarks were translated by interpreters.

Joint Statement by President Bush, President Fox, and Prime Minister Martin: Security and Prosperity Partnership of North America
March 23, 2005

We, the elected leaders of Canada, Mexico, and the United States, gather in Texas to announce the establishment of the Security and Prosperity Partnership of North America.

Over the past decade, our three nations have taken important steps to expand economic opportunity for our people and to create the most vibrant and dynamic trade relationship in the world. Since September 11, 2001, we have also taken significant new steps to address the threat of terrorism and to enhance the security of our people.

But more needs to be done. In a rapidly changing world, we must develop new avenues of cooperation that will make our open societies safer and more secure, our businesses more competitive, and our economies more resilient.

Our Partnership will accomplish these objectives through a trilateral effort to increase the security, prosperity, and quality of life of our citizens. This work will be based on the principle that our security and prosperity are mutually dependent and complementary, and will reflect our shared belief in freedom, economic opportunity, and strong democratic values and institutions. Also, it will help consolidate our action into a North American framework to confront security and economic challenges, and promote the full potential of our people, addressing disparities and increasing opportunities for all.

Our Partnership is committed to reach the highest results to advance the security and well-being of our people. The Partnership is trilateral in concept; while allowing any two countries to move forward on an issue, it will create a path for the third to join later.

Advancing our Common Security

We will establish a common approach to security to protect North America from external threats, prevent and respond to threats within North America, and further streamline the secure and efficient movement of legitimate, low-risk traffic across our shared borders. As part of our efforts, we will:

- Implement common border security and bioprotection strategies;
- Enhance critical infrastructure protection, and implement a common approach to emergency response;
- Implement improvements in aviation and maritime security, combat transnational threats, and enhance intelligence partnerships; and
- Implement a border facilitation strategy to build capacity and improve the legitimate flow of people and cargo at our shared borders.

Advancing our Common Prosperity

We will work to enhance North American competitiveness and improve the quality of life of our people. Among other things, we will:

- Improve productivity through regulatory cooperation to generate growth, while maintaining high standards for health and safety;
- Promote sectoral collaboration in energy, transportation, financial services, technology, and other areas to facilitate business; and invest in our people;
- Reduce the costs of trade through the efficient movement of goods and people; and

- Enhance the stewardship of our environment, create a safer and more reliable food supply while facilitating agricultural trade, and protect our people from disease.

Next Steps

We will establish Ministerial-led working groups that will consult with stakeholders in our respective countries. These working groups will respond to the priorities of our people and our businesses, and will set specific, measurable, and achievable goals. They will identify concrete steps that our governments can take to meet these goals, and set implementation dates that will permit a rolling harvest of accomplishments.

Within 90 days, Ministers will report back to us with their initial report. Following this, the groups will report on a semi-annual basis. Because the Partnership will be an ongoing process of cooperation, new items will be added to the work agenda by mutual agreement as circumstances warrant.

Through this Partnership, we will ensure that North America remains the most economically dynamic region of the world and a secure home for our people in this and future generations.

NOTE: An original was not available for verification of the content of this joint statement.

Message on the Observance of Easter 2005
March 24, 2005

For God so loved the world that He gave His one and only Son, that whoever believes in Him shall not perish but have eternal life.

JOHN 3:16

I send greetings to all those celebrating Easter, the Resurrection of Jesus Christ. Through His sacrifice and triumph over death, Christ lifted the sights of humanity forever. In His teachings, the poor have heard hope, the proud have been challenged, and the weak and dying have found assurance. Today, the words of Jesus continue to comfort and strengthen Christians around the world.

During this holy season, we thank God for His blessings and ask for His wisdom and guidance. We also keep in our thoughts and prayers the men and women of our Armed Forces—especially those far from home, separated from family and friends by the call of duty. May the joy of Easter fill our hearts with gratitude for our freedom, love for our neighbors, and hope for peace.

Laura and I wish you a Happy Easter.

GEORGE W. BUSH

NOTE: An original was not available for verification of the content of this message.

The President's Radio Address
March 26, 2005

Good morning. This weekend, millions of Americans celebrate the joyous holiday of Easter. Easter is the most important event of the Christian faith, when people

around the world join together with family and friends to celebrate the power of love conquering death.

At Easter time we pray for all who serve in our military. The outstanding members of our Army, Navy, Air Force, Marine Corps, and Coast Guard are keeping America secure and advancing liberty in the world. We remember especially those who have given their lives in freedom's cause. Their sacrifice is a testament to the words of scripture: "Greater love has no man than this, that a man lay down his life for his friends."

Easter has a special meaning for the families of our men and women in uniform who miss their loved ones during the holidays. It can be very difficult when someone you love is deployed on a dangerous mission in a distant land. I appreciate the sacrifices our military families are making, and Americans know that their contributions are vital to our success in the war on terror.

This week we have seen tragedy at home. Families in Minnesota are mourning the loss of their loved ones after the terrible shootings at Red Lake High School. Hours after the shooting, communities and churches across the Nation offered prayers for the victims and their families. The Red Lake Nation reports receiving thousands of calls from people all over the world offering their sympathy and support. Laura and I are praying for the families of the victims, as are millions of Americans.

This week I spoke with Red Lake Tribal Chairman Floyd Jourdain to express the condolences of the American people and to pledge the continued help of the Federal Government. We are doing everything we can to meet the needs of the community at this tragic time. The FBI and the Department of Justice are working to coordinate relief through the Federal Crime Victim Assistance Fund. We're working closely with State, local, and tribal authorities to provide counseling, help with funeral arrangements, and other assistance.

The tragedy at Red Lake was accompanied by acts of heroism and selflessness. A security guard named Derrick Brun saved the lives of countless students when he rose from his desk to confront the young gunman. Although he was unarmed, Derrick ignored the pleas of a colleague to run for his life. By engaging the assailant, he bought vital time for a fellow security guard to rush a group of students to safety. Derrick's bravery cost him his life, and all Americans honor him.

As we help the families in this community, we must do everything in our power to prevent tragedies like this from happening. Children benefit from a sense of community and the support and involvement of caring adults. To keep our children safe and protected, we must continue to foster a culture that affirms life and provides love and helps our young people build character.

On this Easter weekend, we honor all Americans who give of themselves, from those helping neighbors at home to those defending liberty overseas. Easter is the victory of light over darkness. In this season of renewal, we remember that hope leads us closer to truth and that in the end, even death, itself, will be defeated. That is the promise of Easter morning.

Thank you for listening.

NOTE: The address was recorded at 11:30 a.m. on March 25 at the Bush Ranch in Crawford, TX, for broadcast at 10:06 a.m. on March 26. The transcript was made available by the Office of the Press Secretary on March 25 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks to Reporters at Fort Hood, Texas
March 27, 2005

I want to wish all the fellow citizens and their families a happy Easter. We prayed for peace. We prayed for our soldiers and their families. It's an honor to be here at Fort Hood to celebrate Easter with those who wear the Nation's uniform.

We wish you all a happy Easter too. Thank you.

NOTE: The President spoke at 11:53 a.m. at the 4th Infantry Division Memorial Chapel. A tape was not available for verification of the content of these remarks.

Remarks on Freedom and Democracy in Iraq
March 29, 2005

Thank you all. Thank you. Good morning. Welcome to the White House. Please be seated. Senator Warner, it's good to see you, sir. Thank you for coming. I appreciate citizens from Iraq who have joined us. I appreciate my fellow citizens who have joined us. Thanks for coming.

Before I talk about Iraq, I do want to say that on behalf of the American people, Laura and I offer our condolences to the victims of yesterday's earthquake in Indonesia. This earthquake has claimed lives and destroyed buildings in a part of Indonesia that is only now beginning to recover from the destruction caused by the tsunami 3 months ago. Our officials have offered initial assistance and are moving quickly to gather information to determine what additional relief is needed.

I appreciate Andrew Natsios of USAID being with us today, and I know he and his team are ready to respond, to help. People of Indonesia can know as well that they have our prayers and that our Government is ready to assist.

Just a few minutes ago I met with a group of people dedicated to building a new Iraq. Most of them were born in Iraq. They come from different backgrounds. They practice different religions. They have one thing in common: They all voted in the January elections.

We're also joined today by Iraqi law students visiting the United States for an international competition, by members of Iraq's religious communities in town to learn about democracy, and by others who helped organize the—Iraq's elections held in the United States. I want to welcome you all. I want to thank you for your strong belief in democracy and freedom. It's a belief that with their vote, the Iraqi people signalled to the world that they intend to claim their liberty and build a future of freedom for their country. And it was a powerful signal.

I commend the more than 8 million Iraqis who defied the car bombers and assassins to vote that day. I appreciate the determination of the Iraqi electoral workers who withstood threats and intimidation to make a transparent election possible. I salute the courageous Iraqi security forces who risked their lives to protect voters.

By electing 275 men and women to the Transitional National Assembly, the Iraqi people took another bold step toward self-government. Today Iraqis took another step on the road to a free society when the Assembly held its second meeting. We expect a new Government will be chosen

soon and that the Assembly will vote to confirm it. We look forward to working with the Government that emerges from this process. We're confident that this new Government will be inclusive, will respect human rights, and will uphold fundamental freedoms for all Iraqis.

We have seen many encouraging signs in Iraq. The world has watched Iraqi women vote in enormous numbers. The world has seen more than 80 women take their seats as elected representatives in the new Assembly. We've also seen the beginnings of a new national dialog, as leaders who did well in the last election have reached out to Sunnis who did not participate.

In a democracy, the Government must uphold the will of the majority while respecting the rights of minorities. And Iraq's new leaders are determined that the Government of a free Iraq will be representative of their country's diverse population. The new Transitional National Assembly includes people and parties with differing visions for the future of their country. In a democratic Iraq, these differences will be resolved through debate and persuasion instead of force and intimidation.

In forming their new Government, the Iraqis have shown that the spirit of compromise has survived more than three decades of dictatorship. They will need that spirit in the weeks and months ahead as they continue the hard work of building their democracy. After choosing the leaders of their new Government, the next step will be the drafting of a new constitution for a free and democratic Iraq. In October, that document is scheduled to be put before the Iraqi people in a national referendum. Once the new constitution is approved, Iraqis will return to the polls to elect a permanent constitutional Government.

This democracy will need defending. And Iraqi security forces are taking on greater responsibility in the fight against the insurgents and terrorists. Today, more than 145,000 Iraqis have been trained and are serving courageously across Iraq. In recent weeks, they've taken the lead in offensive operations in places like Baghdad and Samarra and Mosul. We will continue to train Iraqis so they can take responsibility for the security of their country, and then our forces will come home with the honor they've earned.

Iraqis are taking big steps on a long journey of freedom. A free society requires more than free elections; it also requires free institutions, a vibrant civil society, rule of law, anticorruption, and the habits of liberty built over generations. By claiming their own freedom, the Iraqis are transforming the region, and they're doing it by example and inspiration rather than by conquest and domination. The free people of Iraq are now doing what Saddam Hussein never could—making Iraq a positive example for the entire Middle East.

Today, people in a long-troubled part of the world are standing up for their freedom. In the last few months, we've witnessed successful elections in Afghanistan, Iraq, and the Palestinian Territories; peaceful demonstrations on the streets of Beirut; and steps toward democratic reform in places like Egypt and Saudi Arabia. The trend is clear: Freedom is on the march. Freedom is the birthright and deep desire of every human soul, and spreading freedom's blessings is the calling of our time. And when freedom and democracy take root in the Middle East, America and the world will be safer and more peaceful.

I want to thank you all for coming. We ask for God's blessings on the brave souls of Iraq, and God continue to bless the American people. Thank you.

NOTE: The President spoke at 11:25 a.m. in the Rose Garden at the White House. In his remarks, he referred to former President Saddam Hussein of Iraq. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Interview With WHO Radio in Cedar Rapids, Iowa
March 30, 2005

Social Security Reform

Jan Mickelson. The President probably wants to get in on this conversation. [*Laughter*] It's an honor seeing you again, sir.

The President. How are you doing?

Mr. Mickelson. I'm doing great. You realize what a risk you've done, latching on to this Social Security thing? You put our number one Senator at grave risk. [*Laughter*] He had to burn his AARP card. [*Laughter*] Do you realize what a cheap buzzard that guy is? [*Laughter*]

The President. No, I remember the ads with the lawnmower. [*Laughter*]

Mr. Mickelson. Well, see, he can't use his AARP discount anywhere anymore. He had to burn that card.

The President. Well, you know, I appreciate the chairman. He's got some political courage, which is necessary to take on tough problems. It's pretty easy to ignore problems in politics. What's hard is to take on a tough problem. And both Senator Grassley and I have dedicated ourselves to taking on the tough problem of Social Security, and it is a problem.

Mr. Mickelson. I was also warned by the Secret Service to keep the microphone away from you in a diner situation—[*laughter*]—because you have a karaoke gland that breaks out into Alan Jackson songs at the drop of a hat. Try to restrain yourself this morning, sir. [*Laughter*]

The President. Thank you very much. If you've ever heard me sing, you know it's not an issue. [*Laughter*]

Mr. Mickelson. I think it was the minority leader, Harry Reid, said, "Social Security is a real crisis that exists only in one place, in the minds of Republicans." How would you respond to that?

The President. Well, I would say that there's been a lot of people who aren't Republicans who've looked at this issue and have said the world has changed and is changing and that we have a problem for younger generations of Americans. The Social Security trust, for example—or the trustees came out with a report recently that said, "In 2017, the Social Security trust goes into the negative. In 2041, it is flat broke."

And the reason why is because baby boomers, like me and you, are getting ready to retire, and there's a lot of us, and we're living longer.

Mr. Mickelson. What have you heard? I mean, I wasn't planning on retiring. [*Laughter*]

The President. Well, this isn't forced retirement. [*Laughter*] You get to be retirement age whether you want to or not.

Mr. Mickelson. I'm still in denial about that.

The President. Well, I'm afraid we're headed there. But there's a lot of us, and we've been promised greater benefits, and there's fewer workers. So you've got more people getting greater benefits, living longer, and fewer people paying into the system. And it's just not going to work. And so I think one of the things that's happened, in this 60-day period that we set out to explain to the country we have a problem, is that people are now beginning to understand there is a problem.

And the second thing that people are beginning to figure out is that if you're 55 and over, you don't have anything to worry about; the Government is going to pay the promised benefits. And that's an important thing for people to understand. There's a lot of people in Iowa counting on their Social Security check, and they just need to hear the truth, and the truth is——

Mr. Mickelson. Five hundred and sixty-two thousand of us.

The President. That's a lot of you—not "us." You're not one yet.

Mr. Mickelson. Well, there's 562,000 Iowans that receive some kind of Social Security benefit, and 2 out of 5 Americans do.

The President. That's right, and that's why it's an important program. That's why it's important to reassure those who receive a check, nothing changes. The people who need to worry about this issue are the younger Americans. They're the ones who are going to have to pay enormous taxes or get enormous benefit cuts if this Government is not willing to respond now. And so, to answer the question of the skeptics, we do have a serious problem.

Mr. Mickelson. The red State division and blue State division affects this debate extremely importantly and efficiently. The Democrats are marketing their opposition to any kind of Social Security reform in the following way. I was up on their web site, and this is how they describe the nature of their opposition. And they have four different categories—they say women, blacks, Hispanics, and the disabled all receive a progressive return from Social Security. They get more than they pay in. In essence, they say, you'd be an idiot, therefore, to go along with any kind of reform, because they have it pretty good now, by comparison, paying a little in—or less in than other wage earners. So why should we vote for something that, in essence, we think might disenfranchise us?

The President. Well, again, nothing changes if you're 55 years and older. I mean, the progressivity in the system stays in the system. Plus, you can make the system progressive for your younger workers. But a younger worker, whether they live in a blue State or a red State, ought to be wondering whether or not the Congress has got the will necessary to fix this problem, because if we don't, the system starts going into the red, negative, in 2017.

Do you realize, in 2027, the cost just to make good on the promises is going to be over $200 billion a year? It gets worse every year from 2017 to 2041. And so there's a huge hole that can only be filled by dramatic benefit reductions and/or payroll increases. It's estimated that in order to fix the problem if we wait, it will—payroll taxes will have to get up to 18 percent. And that's unsatisfactory, as far as I'm concerned. And younger workers, blue State, red State, need to worry about this problem.

Now, older Americans do not. And I keep saying that, because I know there's some propaganda out there that says to older Americans, "You know, old Grassley and Bush are going to take away your check." Well, I've heard this before, every time I've run for office. Nothing changes. The Government will keep its promise for those of us over 55 years old. It's younger people. This is a generational issue, Jan, because many grandparents are now beginning to realize they're going to get their check, and they're starting to ask the question, "What about my grandchildren; what are you going to do about the grandchildren," because this is a serious problem.

Mr. Mickelson. I really appreciate the phrase you use, the "ownership society."

The President. Yes.

Mr. Mickelson. That really works. Now, how do we get the people who view themselves as recipients to see themselves as potential owners, so they don't feel threatened by a transformation of the system that you have in mind?

The President. Yes, well, first of all, you're referring to the personal savings account aspect of a solution. And the reason I believe it's important to encourage—or to allow younger workers, if they so choose, to set aside some of their own money in a personal savings account is threefold. One, they will get a better rate of return on their money than they're going to get if the Government holds it for them. In other words, in a conservative mix of bonds and stocks held over time, the rate of return on the money, the growth of the

money, the fact that it's going to be growing in a compounded way is going to be greater.

Mr. Mickelson. Even if they haven't paid in as much, initially, to push them into that progressive recipient category in which they now exist?

The President. Well, you can do both. First of all, it's more progressive, by the way, if you get a greater rate of return on your money than if you don't. But you can also make sure the benefits that end up being determined by Congress—in other words, the benefits that the Government can afford—they're progressive in nature as well.

But progressivity really depends upon how the benefit structure is decided by Congress. We've got some money for some benefits; we just don't have enough to pay the promises made to younger workers. And the best way to allow a younger worker to more approximate that which the Government has promised is to let them earn a better rate of return on their money.

Secondly, I like the idea of somebody owning something. I mean, there is kind of this mindset that only a certain investor class can manage their own money. I think that's a preposterous assumption. I think everybody ought to be encouraged to manage their own money.

And thirdly, we do this, Jan—this is a very important point—this isn't a novel idea. Federal workers get to do this in what's called—in the Federal employee program, retirement program. They get to take some of their own money and set it aside so they get a better rate of return than that which the Government can get for them. And Senator Grassley's employees get to do that; people working for the Agriculture Department get to do it. My attitude, if it's good enough for Federal employees, it ought to be good enough for younger workers.

Mr. Mickelson. Federal Reserve Chairman Alan Greenspan keeps using another very powerful word describing much of our social safety net, "unsustainable."

The President. Yes.

Mr. Mickelson. We can't do it. Demographically, as you mentioned earlier, we aren't reproducing ourselves.

The President. Right.

Medicare/Healthcare Savings Accounts

Mr. Mickelson. The same logic that you applied aptly to Social Security also applies to our medical delivery system.

The President. That's right.

Mr. Mickelson. Can we also move to the ownership concept in that, in medical IRAs, and make those universal, maybe using medical IRA vouchers? And how about using the earned-income tax that lower income people get and empower a savings account, so they get an ownership concept using their money in that regard?

The President. That's a very good point. As a matter of fact, the Senator and I worked on Medicare reform. We wanted the current system to work better for those people who are going to get—that are on Medicare. We wanted—for example, I think there's a lot of benefit to have a prescription drug plan available in Medicare because a lot of people will be able to avoid major surgery by taking prescription drugs. In other words, Medicare would pay for heart surgery but not a dime for the prescription drugs that might prevent the heart surgery from being needed in the first place. So we modernized Medicare and, by the way, took care of rural hospitals in Iowa as we did so.

Secondly, though, in that bill is the notion of health savings accounts, which provides an IRA-type approach, as you mentioned, to encourage people to set aside money on a tax-free basis so they get to make the decisions for their own health care—in other words, own their own health care plan. And it's a great idea that is now beginning to take hold with a lot of small businesses and a lot of employees for small businesses.

Thirdly, I've consistently proposed, Jan, that we have tax credits for the working poor people so that they, themselves, can go in the marketplace and own their own account. And yes, so to answer your question, absolutely, we can extend ownership.

Mr. Mickelson. So they earn—they keep the time value of their own money.

The President. Precisely.

Mr. Mickelson. That's the chief weakness of the current system.

The President. On a tax-free basis, with the HSAs, by the way.

Social Security Reform

Mr. Mickelson. The birth-dearth issue that you made reference to, that's the elephant in the room. We have to address that. Our culture is not—it's not the first time this has happened. I was reading—Teddy Roosevelt addressed this in the early part of the century, dealing with the birth dearth in the last century, and he saw that that generation of Americans were not reproducing themselves. And do you want to hear a really snotty quote from Teddy Roosevelt? He said——

The President. I don't have much choice. [*Laughter*]

Mr. Mickelson. Yes, you do. You have the Executive order. [*Laughter*]

It says, "If you do not believe in your own stock enough to wish to see the stock kept up, then you're not good Americans, and you're not patriots. I, for one, would not mourn your extinction, and in such event, I would welcome the advent of a new race that would take your place, because you will have shown that you are not even fit to cumber the ground."

So that's pretty—that's a bully pulpit.

The President. He was a colorful person. [*Laughter*] That's what I've been doing, using the bully pulpit over the last weeks to remind people we have a problem. And it's easy in politics to ignore problems. It's just easy to say, "Well, there's no problem." But this is a serious problem for younger generations of Americans, and I believe there is a duty as the President—and fortunately, Senator Grassley believes there's a duty as the chairman of the Finance Committee in the Senate—to take on problems and not pass them on. See, the easy route is to say, "Well, we really don't have a problem." But what's going to end up happening is, in 2017, people are going to show up to work, and they're going to realize their payroll taxes have gone up significantly to pay for promises that the Government has made.

And so I'm saying to people, now is the time to fix it. And I think there's a political price for not getting involved in the process. I think there's a political price for saying, "It's not a problem. I'm going to stay away from the table." So in my State of the Union Address I called upon Members of Congress, both parties, to bring good ideas forward.

Mr. Mickelson. Has the third rail moved?

The President. I think it has. I think you'd made a mistake not addressing Social Security. I think the American people, when they figure out how significant this problem is—and they're beginning to figure it out—are then going to demand, from both Republicans and Democrats, leadership.

And I am—I love this—I love taking on big issues, because I think that's my job. I think that's why the people of the country put me in office. They expect a President to lead, and they expect a chairman of the Finance Committee to lead as well. And fortunately, the good State of Iowa has got such a man in Charles Grassley. I'm looking forward to working with him on this issue.

Mr. Mickelson. Can I expect that in an upcoming press conference that you're attending that you will get up and address the Nation and tell the population of the United States, "Get out there and reproduce, or don't cumber the ground?" [*Laughter*]

The President. No, you can't expect that. [*Laughter*]

Mr. Mickelson. "Get off the—have some more kids or get off the planet." [*Laughter*]

The President. You can expect me to keep talking about Social Security. [*Laughter*] You can expect it because now is the time to solve this problem. And I repeat to the grandparents out there that if we do not act, your grandchildren are going to be saddled with a huge burden. This Government has made promises it cannot keep. It'll keep the promises to those of us over 55 years old, but it has made promises to a lot of younger Americans it cannot keep, and now is the time to solve the problem.

And I'm going to keep working with Members of Congress from both political parties to do our duty. And I like traveling the country. I like coming to the great State of Iowa—been here quite a few times and may have to come back to keep pounding on the issue, but it is the right thing to do, which is to address problems.

Mr. Mickelson. Mr. President, thank you for visiting Iowa.

The President. Thanks for coming over.

Mr. Mickelson. Thank you for visiting us. Senator Grassley, thank you for gracing us.

Senator Grassley. Pleasure to be with you.

Mr. Mickelson. Thank you for being here.

NOTE: The interview began at 11:18 a.m. at the Spring House Family Restaurant and was broadcast live on the "Mickelson in the Morning" program.

Remarks in a Discussion on Strengthening Social Security in Cedar Rapids
March 30, 2005

The President. Thank you, Mr. Chairman. Thank you all for coming. I want to thank our panelists here. We're about to discuss Social Security. Before we do, I've got some things I want to say.

First, I want to thank the good folks here at Kirkwood Community College for letting us come by. It's a fantastic facility you got here. I want to thank Mick and Steve and all the faculty here. I believe the community college system is an important part of making sure that our economy continues to grow. And the reason why is, one of the bottlenecks for economic growth is to whether or not we've got a workforce that is trained for the jobs of the 21st century. There is no better place to train people for the jobs of the 21st century than the community college system in America. And so I want to thank you for letting us come by.

I want to thank Chuck Grassley. He and I just came from the Spring House. Yes, it was nice. We had a cup of coffee. I hope you paid, Senator. [*Laughter*] Well, I forgot your reputation. [*Laughter*] I guess I had to pick up the check, probably. [*Laughter*] But I'm proud of the Senator's leadership on the Finance Committee. This will be the committee in the United States Senate that will start a piece of legislation that will modernize Social Security. He's committed, as am I, to taking on this big issue. And as I told them at the Spring House, he's stubborn. I'm going to be stubborn on the issue, and we're going to keep working this until we get something done. We need to. Now is the time to address tough problems, before it becomes acute for younger generations of Americans. Thank you for understanding that, Chuck. Appreciate you coming.

I want to thank Congressman Jim Leach, the Congressman from this district. I'm looking forward to—Leach is flying back with me. I'm always a better person after having sat down to listen to his wisdom.

[*Laughter*] He's a good, strong guy, and I'm proud that you're here.

As well as Jim Nussle, chairman of the Budget Committee for the House of Representatives. Thank you for coming, Jim. I appreciate working with Chairman Nussle. He's done a very good job on the budget. Now this is the year in which we're going to set priorities again—we did it last time; we're going to do it this time—set clear priorities. And we're not going to fund programs that don't work. It seems like to make a lot of sense to me that we're wise about how we spend your money. And there's no better partner in being wise about how we spend the people's money than Jim Nussle. I'm proud of your leadership and proud to call you friend.

And your parents are here. Yes, you brought mom—mom and dad—good, yes. You still telling him what to do? [*Laughter*] So is my mother. [*Laughter*] The difference is, Nussle is listening. [*Laughter*]

I want to say something about Senator Chuck Larson. I appreciate you being here, Chuck. I want to thank you for your service to our country. State Auditor Dave Vaudt is with us. Mr. Auditor, thanks for coming. Mr. Mayor, thank you for coming. I appreciate Paul Pate joining us. I want to thank all the State and local officials for coming. Particularly, I want to thank you all for taking time out of your busy lives to become educated on a very important subject.

Before I do get there, I do want to say something about Al Smith. Al—I don't know if you know Al Smith. He's been involved with the Cedar Rapids Kernels Baseball Club. He organizes a program for children with special needs around baseball. He's also been a mentor. He told me that over his last, I think he said 40 years—didn't you say, Al? I think it's 40—you dealt with a million children. I want you to stand up. The reason why I wanted to introduce Al, he is a soldier in the army of compassion. He's a soul who understands that you can make a difference in a person's life, and I want to thank you for being here. Appreciate your service.

For those of you here interested in serving your Nation, find somebody who hurts and love them or feed the hungry or find shelter for those who are looking for housing. Al has done the same thing through a mentoring program, and I appreciate—he also told me that he was in the Cleveland Indians organization and knew Rocky Colavito. Yes, pretty good. Obviously, we've got some baby boomers here. [*Laughter*]

A couple of things before we get to Social Security. One, I just talked to Laura this morning, and she sends her best. She knew I was coming to Cedar Rapids. She said to say hello to everybody there. She was calling from Afghanistan. She'd just gone over there, and she was explaining to me how hopeful it was to have gone to a dormitory for women at a teacher's college. We helped build that dormitory—we, the people of America.

Think about a society that has gone from a Taliban-dominated society where, if you were a women and spoke your mind, you were taken to the public square and whipped, to a free society in which women are now being trained to be able to follow their hearts and teach. That's the difference between tyranny and freedom. And free societies—it's important for people to know, free societies will be peaceful societies. Free societies in the part of the world that's desperate for freedom sets a clear example to others that it's possible to be free. And it's—I've been impressed by the protests in Beirut, Lebanon, where people are saying to Syria, "Get out of our country so we can be a free country and a democracy."

I was impressed by the people of Iraq, who, in the face of car bombings and suiciders, said, "We're going to defy these folks because we want to be free." And they voted in overwhelming numbers for the first Assembly, democratically elected Assembly in years. Freedom is on the march, which means peace is on the march.

And we shouldn't be surprised, because in America we understand freedom, and we know freedom is not our gift to the world. Freedom is the Almighty God's gift to each man and woman in this world.

And flying in, I saw a lot of people on tractors. It's a good sign. [*Laughter*] But it reminded me about what is possible when it comes to reasonable energy policy. See, one day I hope that those tractors are planting fuel so we become less reliant on foreign sources of energy. We have got a significant problem. We're too dependent on energy sources from overseas, and it's beginning to show up at your gas pump. We need to think differently about energy. And now is the time for Congress to pass an energy bill which encourages conservation, encourages research and development so that biodiesel or ethanol can work—more likely work in our automobiles, encourages the research and development on hydrogen-powered automobiles. We've got research and development going to FutureGen plants so that we can burn coal in a zero-emissions way.

In other words, now is the time to get a bill passed to not only make us less dependent on foreign sources of energy but to encourage new ways of using energy here in America. Now is the time for Congress to act and get the bill to my desk.

I could go on. Laura warned me, don't—she said, "Sometimes you talk too much, and so make sure you keep it relatively short here." And I said, "Okay, I'll try and give it my best shot." Obviously, I haven't done a very good job.

Let me talk about Social Security. I'm talking about Social Security because I see a problem, and I believe the job of the President is to confront problems and not pass them on to future Presidents or a future Congress. That's what I think you elected me for.

First, I agree with Chuck when he said that Franklin Roosevelt did a good thing in creating the Social Security system. Social Security has worked for a lot of people. It has provided a safety net for a lot of citizens. The problem is, there's a hole in the safety net for a generation which is coming up, and let me tell you why.

Let me—I'll just put it in personal terms. There's a lot of people like me getting ready to retire. We're called baby boomers. I turn 62 in 2008. It's a convenient year for me to retire, by the way. [*Laughter*] We are living longer than the previous generation. We have been promised more benefits than the previous generation. See, people ran for office saying, "Vote for me. I'm going to give you more benefits if you put me in." So you've got a lot of baby boomers getting ready to retire who will be living longer years and promised more benefits. That's part of the math.

The other part of the math is that there are fewer workers paying for people like me. In 1950, there were 16 workers paying into the system for every beneficiary, so you can see the load wasn't that heavy. Today, it's 3.3 workers for every beneficiary. Soon, it's going to be 2 workers. If you're a younger person going to community college here, you're going to have to pay a lot of money out of your pocket to make sure I get the benefits I'm promised, unless we do something different.

So the math has changed. The system is an important system, but it's got a hole in the safety net. I say the hole in the safety net for the younger workers because if you're somebody who's retired or near retired, somebody born prior to 1950, you don't have a thing to worry about. The promise will be kept. I don't care what the politics—politicians say. I don't care what the propaganda says. The truth is, this Government will keep its promise to those people who are receiving their check today and the promise to those who were born prior to 1950.

When the math has changed like it is, the system starts going in the red pretty quickly. In 2017, there's going to be more money going out than coming in for Social Security. By the way, we don't have a trust

in Social Security. It's called pay-as-you-go. See, some people think there's a Social Security trust where we've taken your money, and we've held it for you, and then when you retire, we give it back to you. No, what happens is we take your money; we pay money out for the promises for those people who have retired; and if we've got anything left over, we spend it on things other than Social Security. That's just the way it works. It's been working that way for a long period of time, and what's left are a pile of IOUs, paper.

Now, as a pay-as-you-go system, when you've got a lot of people like me retiring, getting bigger benefits, living longer, with fewer people paying in, pretty soon the system goes into the red. And it does in 2017. And every year thereafter, the situation gets worse and worse and worse. To give you an example, in 2027, the Government is going to have to come up with $200 billion more than that which is coming in in payroll taxes just to make the promises.

So you can see from that chart there, the situation in 2017 gets bad, and it gets worse. Don't take my word for it. Take the word of the Social Security Trustees. They issued a report recently. It said the situation is worse than we thought. In 2017, the system starts to go into the red, worse every year after. And the longer we wait, the harder it's going to be for a—younger workers to make up the difference.

So this is a generational issue. It's an issue that affects not those of you who have retired, but it affects your children and your grandchildren. And the fundamental question is, do we have the will in Washington, DC, to take on the tough problems?

I went in front of the Congress and I said, "Look, now is the time to act." And I fully understand, I'm telling you, the longer we wait, the tougher it's going to be on younger workers. And so I said, "All ideas are on the table." I said, "If you've got a good idea, bring it forward." I don't think there's a Democrat idea. I don't think it's a Republican idea. I think these are just ideas that need to be on the table. I think I'm the first President ever to have stood up and said, "Bring all your ideas forward." And that's an important message for members of both political parties to hear, that if you've got a good idea, we expect you to be at the table; we expect you to bring it forward. We—I expect you to bring it forward, but more importantly, the American people expect you to bring it forward. There's a lot of people who know we've got a problem when it comes to this issue, and now is the time for people to act.

And I think when they bring ideas forward, they've got to be with one thing in mind, fixing this issue permanently. In 1983, Tip O'Neill, Ronald Reagan, Bob Dole said, "We've got a problem. Let's see if we can't fix it." And they put together a 75-year fix, they said. First of all, I appreciate the spirit of Republicans and Democrats coming together. But it wasn't a 75-year fix. This was 1953 [1983].* We're only in 2005. It wasn't a 75-year fix. If it was a 75-year fix, I wouldn't be sitting here talking about it. Now is the time, if we're going to come to the table, to do so and fix it permanently.

Mr. Chairman understands that, and he's told both Republicans and Democrats, "If you think you've got a good idea, bring them forward." And people need to understand that, that we want to listen to good ideas. President Clinton had some ideas when he was the President. Senator Daniel Patrick Moynihan had some good ideas. As a matter of fact, in 2001, he was the Democrat Senator from New York. He'd retired. I asked him to serve on a Commission to look at Social Security. Republicans and Democrats came together and they came up with some very interesting ideas to fix the problem permanently. They didn't sit around the table and say, "I'm not going to listen to your idea because you happen to be a Democrat," and "I'm not going

* White House correction.

to listen to your idea because you happen to be a Republican." They said, "We have a duty and an obligation to come together and make recommendations to the President and the Congress, not based upon parties but based upon what will work."

And one of the ideas they brought forward, both Republicans and Democrats brought forward, is in order to make the system work for younger workers, that they ought to—we ought to allow younger workers to set aside some of their own money in a personal savings account as part of the Social Security; in other words, a voluntary program that says you should be allowed to take some of your own money—after all, it is your payroll tax—and put it aside in an account of bonds and stocks. That's what you ought to be allowed to do.

Now, this doesn't fix the system permanently, but it makes the system a better deal for younger workers. And I'll tell you why. First, a conservative mix of bonds and stocks earns a better rate of return on your money than the money that's being held in the Social Security—by the Government. And that's important for people to understand.

And as that money earns, it is a compounding rate of interest; it grows. For example, you take a worker making $35,000 over his or her lifetime, and say, for example, a third of the payroll taxes, or 4 percent, were allowed to go into a personal savings account, that the nest egg that person would own over time in a conservative mix of bonds and stocks would grow to $250,000, see. That would be a nice part of a retirement package. There will be a Social Security system that the Government is going to pay you benefits. I can't tell you how much until we get people together to the table, but it will be augmented. Your Social Security plan, your benefits will be augmented by the money coming out of your own account. In other words, money grows if you hold it over time. It's not growing right now at a significant enough rate. It will grow if you're able to save it.

Secondly, I like the idea of people owning something. I want more people owning something, not fewer people. There's this kind of notion that this investor class in America only applies to a certain group of people. That's not what I think. I think the more investors we have, the more owners we have in America, the better off America is. And I want to see ownership spread throughout all our society.

I like the idea of someone working their lifetime building a nest egg they call their own and passing it on to whomever they want. That ought to be—that idea ought to be available to people from all walks of life. I like the idea of having a plan to help somebody whose spouse may have died prior to retirement. Think about the Social Security system today. If you're a—been working 30 years, started at age 21, and you're 51 years old and you pass away and you still—and you've got a wife or a husband, the money in the system—the wife or husband doesn't get any of the money until he or she retires. And then, if he or she happens to be working, he or she only gets—only gets—the higher of that which the Social Security will pay for him or her or the spouse but not both. So you've got somebody who's worked their life, contributed to the Social Security system, died early, didn't get one dime of retirement, and the money just goes away.

Doesn't it make sense to allow somebody to set aside some of their own money, if they so choose, in an account they call their own, and if they predecease or die early, there's an asset base to be able to pass on to a loved one, to help that loved one transition.

And finally, I don't know if you know this or not, but we have, at the Federal level, what's called a Thrift Savings Plan. In other words, this idea has already been used by Federal employees. Members of Congress, Members of the Senate are allowed to set aside some of their own

money in a conservative mix of bonds and stocks so they get a better rate of return. Now, in other words, this is—we're not inventing something new. For example, Federal employees can't take their money and put it in the lottery, or you can't take it to the racetrack. In other words, there's a prescribed way—a mix of bonds and stocks that is—that will allow you to get a better rate of return than your money in the system, without taking extraordinary risks.

In other words, there's go-bys; there's guidelines. And it's already happening. Doesn't it make sense for Members of Congress to give younger workers the opportunity to do the same thing with their money that they get to do in their retirement system? Frankly, if it's good enough for Federal workers and elected officials, putting aside some of your own money in a personal retirement account, it ought to be good enough for all workers in America.

So that's my thinking on the subject. I've got some other people up here who've been thinking about it too, and I'm going to start with Jeff Brown, Dr. Jeff Brown, Ph.D. Isn't that right?

Jeffrey R. Brown. That is correct, sir.

The President. So you are now a——

Dr. Brown. Professor. I'm a professor at the University of Illinois. [*Applause*] All right. Wouldn't think I was in Hawkeye country here. [*Laughter*]

The President. Big Ten country. [*Laughter*] Certain kind of loyalty throughout the conference.

Dr. Brown. And I've been studying Social Security now for about 10 years.

The President. I like to remind people, by the way, he's one of my—he's an adviser. So for the students here, take heart in this concept. He gets a Ph.D. I get Cs. [*Laughter*] I'm the President, and he's the adviser.

Dr. Brown. All those years of education.

The President. That's right. Keep rolling. You studied the issue.

Dr. Brown. Yes, so, you're absolutely right that Social Security faces very severe financial problems, and they start very soon, just about 12 years from now. Really they start earlier, 3 years from now when the baby boomers start to retire and those surpluses that we're running start to dwindle down. Then they turn to deficits a few years later.

[*At this point, Dr. Brown, assistant professor, Department of Finance, University of Illinois at Urbana-Champaign, Champaign, IL, made further remarks.*]

The President. Yes, it's estimated, for example—if you're a younger person, listen carefully—that if nothing happens, if we wait and delay, if it's kind of the typical political response, just wait to the—you know, wait until 2017 to call people together, that in order to make sure that the system works, that your payroll taxes are going from 12.4 to 18 percent. Try that on, if you're working. That's not—by the way, that doesn't include Federal income taxes, State taxes, and local taxes.

And so now is the time—I think what Jeff is saying, now is the time for us to deal with this problem.

Now, again, I want to repeat, there's a couple of things about personal accounts that I think is important. One, it's just an optional plan. Shouldn't we give people the option of making the decision themselves? That seems like a reasonable approach for Government. Doesn't it say—doesn't it make sense for Government, people of both political parties to say, "If you think you can do a better job than we can with your money, here's an opportunity to do so." It's voluntary. I happen to be a person who actually trusts people. It's your money. I trust you with your own money. To me that's an attitude that Congress ought to take: We trust you with your own money.

Is that it, Professor? You did a fine job, as usual.

Q. Joe Studer and Jinny Adams. Been married for how long? You got to speak in the mike.

Joe Studer. Sixteen years.

Jinny Adams. Going on 16 years.

The President. Sixteen years—great. Got any kids?

Mr. Studer. Nine between us.

The President. Fantastic. Any of them here?

Mr. Studer. Yes, yes, Angela is right over there.

The President. Oh, there's Angela. Good.

Mr. Studer. My daughter-in-law is with her.

The President. I understand you're adoptive parents.

Mrs. Adams. Yes.

The President. Thanks for adopting. It is one of the greatest acts of love that a person can do. I appreciate you doing that.

Mrs. Adams. Can I mention that it's her 23d birthday today?

The President. Whose birthday?

Mrs. Adams. Angela's.

The President. Angela, would you like a little notoriety here? [*Laughter*] Mom just gave you some. Happy 23d birthday. And by the way, at the age of 23, you better hope that we permanently fix the Social Security system. [*Laughter*]

Anyway, thank you all for coming. Joe, you got some retirement income?

Mr. Studer. We both have retirement income, much thanks to the Federal Government. I was a Federal employee.

The President. Good, yes.

Mr. Studer. Started that career when I was 40 years old, did a career change—kind of like you. [*Laughter*] And I was able to, first of all, get an excellent retirement plan from my employer, which I'm now taking advantage of. And secondly, in the early eighties, we had two opportunities to put money aside. One was the IRA that I was able to contribute a total of $6,000 to and watch it grow, and then lastly, the Thrift Savings Plan you're talking about is the option that we all had as Federal employees at that time—three choices. I contributed one third of my contribution, 12 percent of my wages, to each choice: conservative, semi-conservative, and the ever-risky stocks and bonds, the stocks in the stock market.

The President. Right, and how did you do over time?

Mr. Studer. My Thrift Savings Plan is approaching $100,000.

The President. No, I'm not asking about that.

Mr. Studer. Oh.

The President. You're giving too much information here.

Mr. Studer. Oh, okay, okay. [*Laughter*]

The President. That's like asking a farmer—or a rancher how many cattle he's got. [*Laughter*] Was the rate of return decent on the money?

Mr. Studer. Excellent. And—but we've had our down years. It goes up and down.

The President. Sure. But over time——

Mr. Studer. It's been far better than Social Security——

The President. Yes.

Mr. Studer. ——and far better than doing nothing.

The President. Yes. I talked to a person today who showed me her thrift savings account return at the restaurant there, and they had averaged about 6½ percent over time. There's a big difference between 6½ percent growing over time and the 1.8 percent the Government gets on your money over time. And that difference compounds a lot if you're a younger person. You start saving now at a 6½-percent rate, it grows, doesn't it?

Mr. Studer. Yes, it does.

The President. 100,000, that's—you brought it up, not me.

Mr. Studer. That's right. [*Laughter*] But I'm proud of it. It was one of the better decisions I made in my life. This was the——

The President. And let me ask you, for some people out there saying, "I don't

think I've got the capacity to make an investment, to figure out what to do," was it a difficult, complex assignment?

Mr. Studer. Initially, it was kind of scary.

The President. Yes.

Mr. Studer. Yes, but—and I was——

The President. Looks like you've adjusted quite well.

Mr. Studer. Yes, we have. Yes, we have. [*Laughter*] And then very comfortable with the assignment. And people that didn't join at that time did join 2 years later when they discovered how beneficial it was.

The President. Yes. And Jinny, you're a—been in the school system. Thank you for teaching.

Mrs. Adams. Yes, I have. I've been a counselor in the Cedar Rapids School District for 29 years, and—[*applause*]. Thank you. Thank you.

The President. Are you getting Social Security at all?

Mrs. Adams. Yes, I am.

The President. Yes. Any doubt you're going to get the check?

Mrs. Adams. None. I'm over 55. I'm in that 55-plus-something group, and so I'm not worried.

The President. So am I. [*Laughter*]

Mrs. Adams. But I now have a retirement through the IPERS retirement system. And we're doing fine.

The President. Yes, the key is, is that people who are getting a Social Security check just got to understand, it's coming. It—you will get your check. The question is whether or not your children will.

Mrs. Adams. Yes, and that's why we're here, to help the situation for the young people. I think of the young teachers who are taking the places of those of us that have graduated from work, and so basically, we are here for them. We're here for our children, and we have 13 grandchildren.

The President. Thirteen grandchildren? Great.

Mrs. Adams. Yes, they are great.

The President. Yes, well, that's good. Grandchildren are great. You can always just pass them back to the parents if things get a little rough.

Mrs. Adams. That's right.

Mr. Studer. [*Inaudible*]

The President. Come by the house?

Mrs. Adams. Yes.

Mr. Studer. Come to the baptism Sunday.

The President. Oh, really, you've got a baptism Sunday. Congratulations. I won't be making it, however. [*Laughter*]

Mr. Studer. Just thought I'd ask.

The President. I don't think you want people going through magnetometers to the building. [*Laughter*] Anyway, I'm glad you all are here. Thank you.

Joe and Jinny are here as—to say loud and clear to the people of Iowa, "You're going to get your check if you're 55 and older." I know I've said that once, and I've said it—I'm going to keep saying it a lot. And it's important for people to hear it, because I understand how important the Social Security check is to a lot of people, a lot of people. The system has worked. Franklin Roosevelt was wise about setting up a safety net for retirement. The question is, do we have the will in the United States Congress to make sure that safety net is available not for this generation, my generation, but for the generations coming up?

And we've got some of the generations coming up sitting right here, starting with Dennis Bogaards.

Dennis Bogaards. Mr. President.

The President. Dennis, welcome. What do you do for a living?

Mr. Bogaards. I'm a 33-year-old farmer from Pella.

The President. Farmer, that's good.

Mr. Bogaards. I've been farming since 1992 with my dad, and—[*applause*]. Thank you.

The President. Seems like there's a lot of farmers around this State.

Mr. Bogaards. Well, I would hope so.

The President. At least that's my experience.

[*Mr. Bogaards made further remarks.*]

The President. Yes, see, it's very interesting. You see a small-business man who talks about the fact that he is contributing into the system, wondering whether or not that which he's contributing into exists—will exist. He's—I presume you've heard of the shortfall that's coming your way.

Mr. Bogaards. Yes, and I want that money to be available to my son and daughter sitting over here with my wife. And that's very important in the farming operation, to be able to have that money if I pass away, like you said, to have that money, that it doesn't go away, that it's there for them if they want to continue that family farm on. That's very important.

The President. Right. We've got to get rid of the death tax, by the way, to make sure that the farm can go from one generation to the next. Right, Mr. Chairman? Yes.

Good. You making a living, by the way? Making a living on the farm?

Mr. Bogaards. You know, we're working as hard as we can, and this year doesn't look to be quite as good as last year was, but anything you can do for $10 beans or $5 corn would be great.

The President. I'll tell you what we can do. I'll tell you what we can do. We can sell those soybeans around the world, is what we can do. We can make sure that others get these good Iowa soybeans.

I appreciate you coming. Isn't it interesting, here's a guy who farms the land, sitting up here with the President talking about his worries about a Social Security solvency. I mean, this issue is beginning to permeate. People, whether they've been on a tractor or anywhere else in society, are beginning to hear the message: We have a problem. And part of the strategy, by the way, is to spend a lot of time, and I'm—over the 60-day period when I got started, we're going to spend the time saying to people, "We have a problem," because guess what happens after that, once people figure out the problem. They start asking the questions to people like me and Grassley and Democrats in the Senate and the House, "What are you going to do about it?" See, once people understand there's a problem, the next question is, "How come you're not solving the problem?" And so here we've got a soybean farmer from Iowa sitting on the stage wondering whether or not there's the will to solve the problem.

Mr. Bogaards. Exactly. That's a big concern.

The President. Well, I appreciate you being here to lend your voice to this issue.

Mr. Bogaards. Thank you. And I just want to back up what Charles—what Senator Grassley said about you taking the leadership to do this. I—so many times we feel like the tough issues aren't addressed, and we just thank you so much for your leadership in this issue and many others.

The President. Well, thanks a lot. I appreciate you coming. Good luck on the farm.

Mr. Bogaards. Thank you.

The President. Lisa Loesch.

Lisa Loesch. Hello.

The President. Yes, ma'am. Hi. What do you do for a living?

Mrs. Loesch. I'm an RN.

The President. Good. By the way, this community college system has got a program to help—yes. Listen, there's fantastic programs in the community college system around America to take willing workers, people with good hearts, and train them to become RNs. Thanks for being an RN, and you're working at the hospital?

Mrs. Loesch. I'm working at St. Luke's Hospital, which was recently voted one of the top 100 hospitals in the Nation.

The President. Really?

Mrs. Loesch. Yes.

The President. Probably because of the nurses.

Mrs. Loesch. Probably. Very likely.

The President. That's good. Thanks. It's interesting that you would be sitting up

here. Explain to me why—what's on your mind?

[*Mrs. Loesch made further remarks.*]

The President. Yes, it's interesting—I'm not going to tell you Lisa's age, but she's, like, not quite baby boomer but a little older than the man here. [*Laughter*] And people are beginning to understand that the promises that have been made to my generation may not be able to be kept. I think that's what you're saying. And your husband is an investment guy?

Mrs. Loesch. He owns his own financial firm, yes.

The President. Right. So he's used to stocks and bonds and all that?

Mrs. Loesch. He understands it all, yes.

The President. Yes. And the reason I bring that up is that—I mentioned this before, but there's this notion about only certain kind of people maybe have got the capacity to invest, watch their own money grow. I presume he works with people from all walks of life.

Mrs. Loesch. He does. And we have six children, and three of them are already investing. As soon as they start a job, they start investing.

The President. Really? That's smart, because it compounds. People understand compounding rate of interest. It grows. I mentioned the person making $35,000, which if you allow that person to put a third of their payroll taxes—not all that much money to begin with, but because money grows and compounds over time, he ends up or she ends up with a $250,000 nest egg. In other words, that's what the power of compounding rate of interest does. And it's something that we ought to afford younger workers. It makes a lot of sense to encourage people to save their own money.

You know what else I like? I presume your husband's business clients get the quarterly statements.

Mrs. Loesch. Yes.

The President. Doesn't that make sense, that in a retirement system that somebody opens up their quarterly statement to see how their own money is growing? It's your money to begin with. It might make people pay more attention to the decisions made in Washington, DC, about what we do with your money. But I like the idea of encouraging more people to become investors. And it's not all that difficult. Again, I repeat, these systems aren't going to allow you to go in the lottery. You can't take flyers. There's a prescribed group of bonds and stocks you can invest in, and you can tailor-make it to your own circumstances.

But I want to thank you for the philosophy you just outlined that says, "Why doesn't Government trust you with your own money? It's yours to begin with."

Mrs. Loesch. Thank you.

The President. Appreciate you coming, Lisa. You only got six kids?

Mrs. Loesch. Only.

The President. Wow. Any teenagers?

Mrs. Loesch. Five of them are teenagers; four of them are driving.

The President. Yes. So how come your hair isn't white like mine? [*Laughter*] Never mind.

Mrs. Loesch. Because it's dyed.

The President. Yes. [*Laughter*]

And we're going to end up here with Chuck Knudsen. Welcome.

Chris Knudsen. My name is Chris Knudsen.

The President. Yes—I was thinking about your brother, Chuck. [*Laughter*]

Mr. Knudsen. That's my dad, Chuck, actually.

The President. Chuck.

Mr. Knudsen. And he's over here with——

The President. Where is Chuck? Where are you? Oh, you had a terrible seat.

Mr. Knudsen. He's over there somewhere.

The President. I'm actually here with Chuck's son, Chris.

Mr. Knudsen. It's a pleasure to be here today.

The President. You're a student here?

Mr. Knudsen. I am a student here. I'm 20 years old. I'm a sophomore here at Kirkwood Community College——

The President. Great. Thank you.

Mr. Knudsen. ——one of the finest community colleges in the Nation.

The President. There's a man looking for an A, right there. Good. Twenty years old?

Mr. Knudsen. Twenty years old.

The President. Yes, and so here you are talking to the President about Social Security.

Mr. Knudsen. I am.

The President. Why?

Mr. Knudsen. Why? Because my time outside of school is pretty much split between church and Scouts. I'm an elder in the First Presbyterian Church of Marion.

The President. Fabulous.

Mr. Knudsen. And the rest of my time is generally spent towards the Boy Scouts of America. I'm an Eagle Scout.

The President. Are you? Congratulations.

Mr. Knudsen. Thank you.

The President. Setting a good example. What's that got to do with Social Security?

Mr. Knudsen. Well, the last six summers I've worked at a Scout camp. I get a small check; it's not very large, but I do see the Social Security and the taxes taken off the top of those checks. And when I get those checks back, as I make more money each year, I continue to see more and more taken. And I tend to wonder where exactly it's going.

The President. Yes. Interesting question, isn't it? When you start seeing money taken out of your check and you start to hear we got a problem, and you start to wondering where the money is going. I'll tell you where it's going. See that red right there? That's where it's going, unless we do something about it right now.

Mr. Knudsen. Exactly.

The President. It's interesting, you know, when I was 20 years old, I wasn't worried about Social Security. I think of anybody else born around 1946, '47, '48—I don't remember being 20 years old wondering whether or not the Social Security system was solvent, because we thought it was, didn't we?

Mr. Knudsen. Exactly.

The President. You didn't know. You weren't there. [*Laughter*]

Mr. Knudsen. Well, I see what the future of Social Security is, and I start to wonder if, when I become 62, if the money is going to be there for me. The way the system is set up now, it's not going to be.

The President. Well, I appreciate that. You know, there's a survey of people Chris's age—not Chuck's age, Chris's age—that said they are more likely to see a UFO than get a Social Security check. [*Laughter*]

Mr. Knudsen. The way the system is set up, I tend to believe that.

The President. Yes. You know what's interesting about this younger generation of folks is that the investment culture has changed. If you think about it—401(k), IRAs, those didn't exist when we were growing up. People weren't used to have incentives to invest their own money. But it's changed. All through society, people are learning to invest their money. The system is designed for plans where people can watch and manage their own money. That's what's changed in our society, hasn't it?

Mr. Knudsen. I'd like to have the option to spend my money the way I would like to invest it.

The President. Yes.

Mr. Knudsen. I've been able to, through my dad, he showed me—kept me up to date on the family finances and things like that. And I feel that if I had some options with my own money, I could spend it wiser for myself than the Government has with Social Security.

The President. Yes, invest it wiser. So you won't be spending it until you retire.

Mr. Knudsen. Exactly.

The President. In other words, it's very important for people to understand, the

nest egg you own is for—is to be a part of a retirement system. In other words, the Government is going to be able to afford something, and on top of that will be your own nest egg. It's a part of the retirement system. And that asset base that you build will not only help you in retirement, but if you so choose, you can leave it to whomever you want, which is, I think, a vital part of having a vibrant society, that assets are passed from one generation to the next.

Good job.

Mr. Knudsen. Thank you.

The President. You want to have the final word, or you want me to?

Mr. Knudsen. I can go ahead and talk a little more if you would like. [*Laughter*] I think the other key thing that most people are forgetting is the fact that if I felt that I wasn't wise enough to invest my money and I wasn't confident in myself, I have the option not to accept the personal account and leave the system as it is and take the system. So I have the option of doing it if I care to or not.

The President. Precisely right. I appreciate you understanding that. I got the final word. [*Laughter*]

Mr. Knudsen. Okay.

The President. First of all, I want to thank our panelists for joining us. I hope you found this to be an educational discussion about a problem that we need to solve now. If you're over 55 years old, you'll get your check. I don't care what the propaganda says. I don't care what the pamphleteers say. I don't care what the ads say. You're going to get your check. Now, if you're a younger person here at this fine community college, you need to be asking the people in the United—you don't have to worry about your Senator and Congressman, but you need to be a part of people saying, "We have a problem. You all got elected for a reason. Now, what are you going to do about it to make sure the Social Security system is permanently solved."

Thanks for coming today. I appreciate your time. God bless.

NOTE: The President spoke at 12:23 p.m. at Kirkwood Community College. In his remarks, he referred to Mick Starcevich, president, and Steve Ovel, executive director of governmental relations, Kirkwood Community College; Iowa State Senator Chuck Larson; Mayor Paul D. Pate of Cedar Rapids, IA; and former professional baseball player Rocky Colavito.

Letter to Congressional Leaders Transmitting a Report on Trade Negotiations
March 30, 2005

Dear Mr. Speaker: (Dear Mr. President:)

Consistent with section 2103(c)(2) of the Trade Act of 2002, I ask that the Congress extend trade promotion authority procedures for 2 years, and I enclose a report prepared by my Administration on trade negotiations conducted under those procedures.

Trade promotion authority is essential to expanding opportunities for American businesses, workers, and farmers. Working with the Congress, my Administration has completed trade agreements with 12 nations on 5 continents that will open a combined market of 124 million consumers for America's farmers, manufacturers, and service providers.

We must continue to pursue bilateral and regional agreements to open new markets, and we must complete negotiations in the World Trade Organization to reduce global

barriers to trade. We will continue to enforce vigorously the trade laws so that American businesses and workers are competing on a level playing field.

Free and fair trade creates jobs, raises living standards, and lowers prices for families here at home. Trade agreements also deepen our partnerships with countries that want to trade in freedom. I look forward to the continued close cooperation with the Congress in pursuing these objectives.

Sincerely,

GEORGE W. BUSH

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate.

Remarks Prior to a Briefing on the Findings of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction

March 31, 2005

Death of Theresa Marie Schiavo

Today millions of Americans are saddened by the death of Terri Schiavo. Laura and I extend our condolences to Terri Schiavo's families. I appreciate the example of grace and dignity they have displayed at a difficult time. I urge all those who honor Terri Schiavo to continue to work to build a culture of life, where all Americans are welcomed and valued and protected, especially those who live at the mercy of others.

The essence of civilization is that the strong have a duty to protect the weak. In cases where there are serious doubts and questions, the presumption should be in the favor of life.

Intelligence Capabilities

The most solemn duty of the American President is to protect the American people. Since September the 11th, 2001, we've taken bold and vigorous steps to prevent further attacks and overcome emerging threats. We face a new and different kind of enemy. The threats today are unprecedented. The lives of our citizens are at stake. To protect them, we need the best intelligence possible, and we must stay ahead of constantly changing intelligence challenges.

So last year I issued an Executive order creating an independent Commission to look at America's intelligence capabilities, especially our intelligence about weapons of mass destruction. I asked two fine Americans to chair this Commission, Judge Laurence Silberman and former Senator Chuck Robb. They have done an excellent job. I appreciate your service to our country.

I also want to thank the other members of the Commission, Senator John McCain, Rick Levin, Harry Rowen, Walt Slocombe, Bill Studeman, Judge Patricia Wald, Chuck Vest, and Lloyd Cutler. I want to thank them for their hard work. They spent a lot of time on this project. I asked these distinguished individuals to give me an unvarnished look at our intelligence community, and they have delivered.

This morning the Commission presented me with their recommendations, which are thoughtful and extremely significant. The central conclusion is one that I share: America's intelligence community needs fundamental change to enable us to successfully confront the threats of the 21st century.

My administration has taken steps consistent with the Commission's recommendations. In February, I named John Negroponte the first Director of National Intelligence, a post that was created to help ensure that our intelligence community works as a single, unified enterprise. It's important for Congress to move quickly on John's confirmation, because he'll have a key role in the continued reform and restructuring of intelligence capabilities.

Today I've directed Homeland Secretary Adviser Fran Townsend to oversee the interagency process, to review the Commission's findings, and to ensure that concrete action is taken. The Commission report delivers a sharp critique of the way intelligence has been collected and analyzed against some of the most difficult intelligence targets, especially Iraq.

To win the war on terror, we will correct what needs to be fixed and build on what the Commission calls solid intelligence successes. These include the uncovering of Libya's nuclear and missile programs. In Pakistan, our intelligence helped expose and shut down the world's most dangerous nuclear proliferation network. Where we have had success, the Commission reports we have seen innovative collection techniques and a fusion of interagency intelligence capabilities. We must work to replicate these successes in other areas.

The men and women of our intelligence community work hard, and the sacrifices they have made have helped protect America. And our Nation is grateful for their hard work. The work they're doing is critical. We need to prevent terrorists from getting their hands on the weapons of mass murder they would like to use against our citizens.

The work of our intelligence community is extremely difficult work. Every day, dangerous regimes are working to prevent us from uncovering their programs and their possible relationships with terrorists. And the work our intelligence men and women do is, by nature, secret, which is why the American people never hear about many of their successes. I'm proud of the efforts of our intelligence workers, and I'm proud of their commitment to the security of our country. And the American people should be proud too.

And that's why this report is important. It will enable these fine men and women to do their jobs in better fashion, to be able to more likely accomplish their mission, which is to protect the American people. And that's why I'm grateful to the Commission for this hard work.

The President and his national security team must have intelligence that is timely and intelligence that is accurate. In their report today, the Commission points out that America needs to know much more about the weapons programs and intentions of our most dangerous adversaries. They have given us useful and important guidance that will help us transform our intelligence capabilities for the needs of a dangerous new century.

In other words, we need to adjust. We need to understand the threats and adjust our capabilities to meet those threats. We will work to give our intelligence professionals the tools they need. Our collection and analysis of intelligence will never be perfect, but in an age where our margin for error is getting smaller, in an age in which we are at war, the consequences of underestimating a threat could be tens of thousands of innocent lives. And my administration will continue to make intelligence reforms that will allow us to identify threats before they fully emerge so we can take effective action to protect the American people.

I'm grateful for your hard work. And now the Chairman of the Commission and the Cochairman of the Commission have agreed to answer your questions.

NOTE: The President spoke at 11:31 a.m. in Room 450 of the Dwight D. Eisenhower Executive Office Building. The Office of the

Press Secretary also released a Spanish language transcript of these remarks.

Remarks on the Helping America's Youth Initiative
April 1, 2005

The President. Thank you all. Please be seated. Thanks. I thought you were going to say you couldn't give the speech because you were suffering from jetlag. [*Laughter*] Laura just got back from Afghanistan and reported that freedom is a beautiful thing, that society is changing because the people are free there.

And it's quite a job I have when you get to be introduced by your wife. I want to thank you all for coming. I'm a lucky man that Laura said yes when I asked her to marry me. She is a great mom, fabulous wife. She's doing a wonderful job as our First Lady. She is a tireless advocate for children in our country. She is a teacher. And you learn a thing or two when you marry a teacher. [*Laughter*] You learn to behave yourself—[*laughter*]—most of the time. [*Laughter*]

And you learn that a single soul can make a difference in a young person's life. That's what you learn. As a matter of fact, that's what we're here to talk about today, how to help Americans realize the great promise of a single person's compassion and its ability to help save a soul. America can change one heart, one soul at a time.

And our job, frankly, all our jobs, is to find those who are willing to be a part of the solution and encourage them to help surround somebody who hurts with love. That's what we're here to talk about today.

First, I want to thank Mike Leavitt for serving as the Secretary of the Department of Health and Human Services. One of the reasons he is here is this Department distributes a lot of Federal money, and I—you'll hear me talk about public policy that hopefully will encourage faith- and community-based programs to do a more—a better job of helping to save lives in our country.

Frank Wolf is with us. Frank, I'm honored you're here. Congressman Frank Wolf has been a leading advocate in the Congress for the faith-based and community-based initiatives. I appreciate you coming, Congressman. Glad to see you brought your daughter, Rebecca, with you. Frank, by the way, has been very instrumental in working in the Sudan to help bring peace to that troubled part of the world. I want to thank you for your efforts.

While I'm mentioning it, we met with youngsters who are being mentored, their mentors, and the directors of programs that have encouraged the mentoring to take place. Dan Johnson, the executive director of Kinship of Greater Minneapolis, is with us. Thanks for coming, Dan. Denise Williams, the vice president for programs, Big Brothers Big Sisters for the Capital Area, is with us. Mark Earley, the president of Prison Fellowship, is with us today. Appreciate you coming, Mark. Maureen Holla, the executive director of the Higher Achievement Program—Maureen, thank you very much.

Barbara—Barbara's been introduced once; I'll introduce her again. Barbara is a big name in my family. [*Laughter*] Thank you for being the head of this great school. We're honored to be here. I want to thank all the teachers who are here. I want to thank all the mentors who are here. I want to thank all the people who care about the future of this country who are here.

Laura and I are thrilled to be here. I'm impressed by the results of the Higher

Achievement Program. I think it's important if you're in my line of work, for example, to ask people, "What's happening? What are the results? Show me some progress." I don't have much time in this job, and so one of the things I try to do is to say, "Here's the goal, and how are we progressing toward this goal?"

And one of the interesting things about the Higher Achievement Program, they have got a good track record, good results. It shows what is possible when you focus on a goal-oriented, results-oriented approach to helping save lives. For 30 years—they've got a long history, by the way; this program has been in existence for 30 years—they've mentored middle school students. And that's an important group, by the way. If you're interested in trying to figure out something to do in America, find some middle school students who need some help. It is a very important age for loving adults to enter into a child's life. And this initiative—let me just say this, of the more than 300 youngsters who take place in this program per year, 95 percent go to college.

If you're interested in finding out what works, look at this program, because the results are clear. And I want to congratulate the visionaries involved with the program and those who are on the frontlines of making it work.

I also—we have the honor of meeting folks who mentor. I call them soldiers in the armies of compassion, people who are willing to take time out of their too-busy lives to help save a life. Such a person is Stacey French. For 2½ years, she has volunteered to tutor a seventh grader named Lexus Henderson, both of whom are here today. Stacey watched as Lexus turned from an inattentive student to one who is focused, to one who sets goals. I asked Lexus, I said, "You going to college?" Thirteen-year-old guy, by the way. He said, "Absolutely." He's even picked one out. He has set a goal. And Stacey is there to help him realize that goal. He wasn't very good in math. She helped focus on math. Math is now his favorite subject. Here's a guy going to college as a result of the love of Stacey. Thank you all for coming. Please stand up.

Laura and I also met with some extraordinary young men and women who have faced some incredibly significant and great challenges in their life. Each of them has had a mother or father in prison. Each has had a volunteer mentor as well. And the caring presence of this adult, the soul who said, "I love you," has made a big difference in these children's lives. They have made a—the kids have made a tough decision to kind of resist peer pressure and focus on achieving results in schools and staying off drugs and making tough choices. And we're really proud of the accomplishments that you all have made and the example you have set.

One of those is Michaela Huberty, is with us today from Benjamin Mays Magnet School, St. Paul, Minnesota. She is the youngest of three children, and she's being raised by her mom. Her dad has been in and out of prison for her entire life. Fortunately, there's the Lutheran mentoring program—I just introduced the head of it—in Minneapolis that matched Michaela with Jennifer Kalenborn. She is a special needs teacher in St. Paul. Think about that. She's already helping children, and she wanted to do more.

She is—and they do crafts together, and they go to museums together, and they read together, and they talk on the phone together. She sets an example. Guess what Michaela wants to be when she grows up: a teacher. [*Laughter*] It's pretty interesting—not coincidental, of course. She's being loved by a teacher. She's being helped by a teacher. She herself wants to teach. One of the most important programs that we need to focus on is to—helping a child whose parent is or has been in prison. And I want to thank the Minneapolis program, and I want to thank Jennifer for being such a good soul. Welcome

to you both. Thanks for coming. Let them stand up.

Jillian Antonucci is with us. She joined the Prison Fellowship Angel Tree Program. That's a program all—that exists in order to help a child whose parent may be or has been in prison. It's a great program, by the way.

She takes time out from attending Grove City College in Pennsylvania to mentor Brianna Morris, whose father and mother have both been in prison. I asked her, I said, "Well, how did you get involved with the program?" She said, "The first thing is I prayed and asked for guidance from the Almighty." It's kind of an interesting way to become inspired, isn't it? Matter of fact, it is the basis of many faith-based programs; matter of fact, it's the basis of all faith-based programs.

Brianna was suffering from depression. But Jillian, as a result of her love and desire to help, has watched this young lady become someone who is laughing and more open, somebody who has set goals. Interestingly enough, the goal—she either wants to be a basketball player or a computer technician. If your jump shot doesn't work, go computers. [*Laughter*] But we want to thank you both for being here. Thank you for coming. Please stand up and be recognized for your good work. [*Applause*]

Finally, we met Vinnie Thomas. Some people become mentors because of what mentors have done for them in their lives. In other words, one of the interesting things about mentoring is it can create a chain of compassion over the course of people's lives. And Vinnie Thomas left home when he was 16, ended up in California struggling with drugs. And guess where he ended up? In prison. He was there for 3½ years. And while he was there, a mentor—I think he said two mentors, but one sticks out in my mind in particular is a mentor that was a businessperson, came and mentored Vinnie and gave him an airplane ticket to fly back home, said "If you need a problem [help], * here's a house; here's a bed." In other words, it's probably more effective than a probation officer could be. Somebody said, "I care for you, Vinnie." Vinnie said he didn't have a family; he was lonely. He said this mentor helped him make sure that he didn't land back in jail. Guess what? Vinnie today is a Big Brother to Parry Elliott, who is with us as well.

Parry Elliott is a seventh grader, lives in a section of Washington known for gang violence. His dad is in prison right now. I asked Parry, I said, "How about college?" He said, "Absolutely. You don't have to worry about me." He said, "I've made my decision." He's accepted to the SEED School in Washington, DC, where 100 percent of the graduating students were accepted into college last year. Thanks to Big Brothers Big Sisters of the National Capital Area, their lives have been transformed.

Let me tell you something about Vinnie. This week, he was ordained a deacon at the Galilee Baptist Church. I guess I shouldn't call him Vinnie; I should call him Deacon Thomas. [*Laughter*] As a matter of fact, I asked the deacon to offer a prayer after our gathering. I was hoping I would be the recipient of the first prayer that the newly ordained deacon would offer. I think I might have been.

Vincent Thomas. You were.

The President. Well, that's good. [*Laughter*] Let me just say you responded to the pressure quite well. [*Laughter*] It's an honor to welcome Deacon Thomas and Parry with us today. Thank you all for coming.

I'm proud of these mentors; we're proud of you all who mentor as well. Anybody listening out there is interested in how to serve the country, one good way is to become a mentor. We talked to the program directors. I said, "What are your bottlenecks? Where do you need help?" They

* White House correction.

need help in matching lost souls with somebody who loves. And so spread the word. I'm trying to spread it right now through that camera. [*Laughter*] But if you want to serve America, become a mentor.

And there are ways to do so. Plenty of access to the Internet—usafreedomcorps.gov is one way to figure out a mentoring program close to you that is looking for help. The amazing thing is, is that all this happens without Government. There's success stories like the four we just heard all across America, because there are a lot of people who are saying, "What can I do? How can I help? What do I need to do to make sure opportunity is available to all people?"

Now, Government has got a role to play, in my judgment. I think there's a vital role for Government to play. But first we've got to understand the limitations of Government. Government can do a lot of things, but one of the things Government is not really good at is love. It can hand out money, but it can't put hope in a person's heart. It can't serve to inspire a person to set goals like going to college. But what Government can do is to empower people who have heard the call to love a neighbor, and that's what Government should do, in my judgment. Government should be an advocate of faith-based and community-based programs, not an impedent [impediment] * to faith-based programs. Government ought to be not a roadblock.

So we're committed to making Government an effective partner for those bringing hope to harsh places. In the State of the Union this year, I announced the Helping America's Youth Initiative that's going to be led by Laura. She talked about it. She'll be focusing on three key areas vital to helping young people succeed, family, school, and community.

This fall, she's—as she mentioned, she's going to be convening a White House conference that will bring researchers and policy experts and educators and parents and community leaders together. They will discuss ways and strategies to help children avoid drugs, alcohol, violence, early sexual activity, ways to help people build successful lives.

As part of Helping America's Youth Initiative, we've proposed a new $150 million effort to discourage gangs, to encourage faith-based and community-based organizations to provide alternatives to gangs. I can't think of a better group of people to rally and inspire, to offset the lure of a gang, than somebody who has heard a universal call to love a neighbor just like they'd like to be loved themselves.

I'm really excited about Laura's initiative. I urge Congress to support programs that will make this initiative viable, initiatives such as programs to help strengthen marriages, a responsible fatherhood initiative that would support community- and faith-based organizations to help fathers stay involved in their children's lives, a healthy marriage initiative to support research on the best ways to keep marriages strong. Those seem like reasonable programs if we're all aiming to try to make this society as strong a society as possible.

There are over 2 million children in America with at least one parent in prison. That is a problem that we must address, and the problem is, is that if your dad or mother is in prison, you're likely to end up there yourself without love and compassion in your life. That's a fact.

And so one of the initiatives that I called upon Congress to fund was the initiative to help faith-based and community organizations to recruit enough mentors to save the lives of 100,000 children whose parent may be in prison. It's a vital initiative; it's an important initiative. Last year we gave out $55 million in grants that had been awarded to 221 organizations. There is still work to be done. We're just starting.

I urge those of you involved in the Faith- and Community-Based Initiative to set up programs to mentor a child whose parent

* White House correction.

may be in prison. It is a vital contribution to our country that you can make. It's an important part of keeping this country a hopeful place for all. We'll have more money available in the budgets coming out, but what we can't do is we can't buy compassion and love. It's up to those at the community level to take advantage of the funding available. It's up to you to go out and help recruit. I can call people to service and will continue to do so. A patriotic way to serve America is to mentor a child whose parent may be in prison. But I encourage the social entrepreneurs in America to funnel resources and efforts and energy toward this vital program.

The faith-based program is one that is going to be—remain a constant part of my administration. Obviously, there's some limitations on the faith program. You can't take Federal money to proselytize. You can't take Federal money and discriminate against somebody based upon religion. In other words, if you're an alcohol and drug rehabilitation program and you happen to be associated with the Methodist church, you can't say only Methodists who are drunk can come here. You got to say, "All drunks are able to come here." [*Laughter*] In other words, there is some limitations. There are limitations to how this Federal money can be used.

But one of the limitations should not be based upon the fact that you're a faith-based program. In other words, we strongly believe at the Federal level that Federal money ought to be accessible on an equal playing field, level playing field to faith-based programs.

Jim Towey runs an office in my—runs an office there at the White House. See, I ask Towey all the time, I say, "How much money are we getting out the door?" It's one thing to talk the Faith-Based and Community-Based Initiative; another thing is actually to make sure money is available. And he reported to me last year, $2 billion was accessed by the faith community. And that's good. That's a good start. We spend a lot more than 2 billion a year.

The whole goal, see, is to focus on results, not on process. Those of us in Washington, we ought to say, "Are we saving lives? Are we getting enough mentors in people's lives? Are we helping enough drunks get off alcohol? Are we helping enough addicts get off drugs?" That's what we ought to be asking. And we ought to recognize that in programs that exist because they've heard a call to love a neighbor, you can find great results. And so this Faith-Based and Community-Based Initiative is a results-oriented approach that'll protect the church and—the separation of church and state but, at the same time, wisely uses taxpayers' money so that we can achieve important social objectives.

For those of you involved in the faith and community programs, I want to say thank you for your efforts. You've got a friend and ally in the Federal Government now.

Part of making sure you can do your job is to make sure regulations don't stand in the way of doing your job. Congress needs to make sure that faith-based groups are not forced to give up their right to hire people of their own faith as a price for competing for Federal money. I'm pleased that the House voted a month ago to protect the civil rights of faith-based groups. I urge the Senate to do the same when it considers welfare reform and job training legislation this year.

We're beginning to change the culture here in Washington. There's a more accepting attitude toward the role that faith-based and community-based programs can play in helping cure social ills and helping to shine a light into some of the dark places in our country.

In order to make sure that we continue to stay focused on this initiative and to be—and to succeed, I've set up 10 faith-based offices in 10 agencies, Federal agencies. In other words, there's got to be some

accountability. I want there to be a presence in these Federal bureaucracies. I want somebody in there agitating for fairness, understanding the great hope of this initiative.

In 2003, grants to faith-based programs had gone up by 20 percent, and what's important for you to understand is that all the grant money hasn't just gone to the established faith providers, like the Salvation Army, which has done a fantastic job, or Catholic Charities, which has done a fantastic job in America. But I want to make sure that social entrepreneurs, large and small, had access to Federal money. In other words, we want to make sure that the program reaches some of the most lonely corners in America, that we touch both large and small providers. And we're making progress. And I'm asking Towey all the time, "Are we reaching new programs? Are we making a difference in other neighborhoods? Are we making sure that this has a broad reach throughout America?" And I'm proud to report that thousands of small groups, tiny grassroots organizations, are being touched by this initiative, and that's important.

Let me tell you why I feel so strongly about this initiative, because I understand the true strength of America lies in the hearts and souls of our citizens. Interestingly enough, I wasn't the first person to recognize this, nor will I be the last. De Tocqueville, fine fellow from France, came to the United States in the 1830s. And he studied what made America unique. And what he found was, the uniqueness of America then was their eagerness to come together to form associations to enable people to serve a cause greater than themselves. Many of those associations existed because of religion; a lot of them didn't. But there was this great desire for Americans to voluntarily associate in order to help realize an ambition deep within our soul, and that is to make our country a better place and, at the same time, make ourself a better person by working to help somebody who hurts. He recognized, de Tocqueville recognized that a strength—that that was our strength then. It's very important for those of us in public policy to recognize that it is our strength today.

And so I want to thank you all for being a soldier in the army of compassion, some of you privates, some of you sergeants, some of you generals, all soldiers, bound together by the great desire to love a neighbor just like you'd like to be loved yourself.

Over the next 4 years, I'll continue to work with our faith- and community-based programs to save America one heart, one soul, one conscience at a time.

Thanks for coming today. God bless.

NOTE: The President spoke at approximately 10:55 a.m. at Paul Public Charter School. In his remarks, he referred to Barbara Nophlin, head of school, Paul Public Charter School. The transcript released by the Office of the Press Secretary also included the remarks of the First Lady.

The President's Radio Address
April 2, 2005

Good morning. Before I begin today, I would like to say a word about Pope John Paul II. His Holiness is a faithful servant of God and a champion of human dignity and freedom. He is an inspiration to us all. Laura and I join millions of Americans and so many around the world who are praying for the Holy Father.

This week, the members of the independent Commission looking into America's

intelligence capabilities presented their report. I asked these men and women to give an unvarnished look at our intelligence about weapons of mass destruction, and they have delivered. I appreciate their hard work. Their recommendations are thoughtful and extremely significant, and their central conclusion is one that I share: America's intelligence community needs fundamental change to enable us to successfully confront the threats of the 21st century.

My administration has already taken steps consistent with the Commission's recommendations. In February, I nominated John Negroponte to be our first Director of National Intelligence. This post was created to help ensure that our intelligence community works as a single, unified enterprise. When Members of Congress return to Washington, I urge them to move quickly on his confirmation because he will have a key role in the continued reform and restructuring of our intelligence capabilities.

This week, I also directed Homeland Security Adviser Fran Townsend to oversee the interagency review of the Commission's findings and ensure that concrete action is taken.

The Commission's report delivers a sharp critique of the way intelligence has been collected and analyzed against some of the most difficult intelligence targets, like Iraq. To win the war on terror, we will correct what needs to be fixed and build on what the Commission calls "solid intelligence successes." These include the uncovering of Libya's nuclear and missile programs, which led Libya's leader to renounce weapons of mass destruction. In Pakistan, our intelligence helped expose and shut down the world's most dangerous nuclear proliferation network. We need to learn from the successes we've had and apply the lessons elsewhere.

We also acknowledge the hard work and sacrifices of the men and women in our intelligence community. These talented people are on the frontlines in the war on terror. Their work is critical. We must prevent terrorists from acquiring weapons of mass murder that they would use against our people.

The work our intelligence community is doing is also extremely difficult. Every day, dangerous regimes are working to conceal their programs and their possible relationships with terrorists. And the work our intelligence men and women do is, by nature, secret. The American people never hear about many of America's intelligence successes, but I'm aware of them. I'm proud of our efforts of our intelligence workers to defend our country, and the American people should be as well.

The President and his national security team must have intelligence that is timely and accurate. In its report, the Commission points out that America needs to know much more about the weapons programs and intentions of our most dangerous adversaries. The members of the Commission have given useful and important guidance that will help transform our intelligence capabilities for the needs of a dangerous new century, and we will continue to give our intelligence professionals the tools they need and the structure they deserve so they can succeed in their essential work.

It is not possible to guarantee perfect security in our vast free Nation, but at a time when we're at war and our margin for error is getting smaller, the consequences of underestimating a threat could be tens of thousands of innocent lives. I can assure you that the men and women in our intelligence community are working around the clock and doing everything they can to keep us safe, and my administration will continue to make intelligence reforms that will allow them to identify threats before they fully emerge so we can take action to protect the American people.

Thank you for listening.

NOTE: The address was recorded at 7:34 a.m. on April 1 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on April

2. The transcript was made available by the Office of the Press Secretary on April 1 but was embargoed for release until the broadcast. In his address, the President referred to Col. Muammar Abu Minyar al-Qadhafi, leader of Libya. He also referred to the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks on the Death of Pope John Paul II
April 2, 2005

Laura and I join people across the Earth in mourning the passing of Pope John Paul II. The Catholic Church has lost its shepherd. The world has lost a champion of human freedom, and a good and faithful servant of God has been called home.

Pope John Paul II left the throne of Saint Peter in the same way he ascended to it, as a witness to the dignity of human life. In his native Poland, that witness launched a democratic revolution that swept Eastern Europe and changed the course of history. Throughout the West, John Paul's witness reminded us of our obligation to build a culture of life in which the strong protect the weak. And during the Pope's final years, his witness was made even more powerful by his daily courage in the face of illness and great suffering.

All Popes belong to the world, but Americans had special reason to love the man from Krakow. In his visits to our country, the Pope spoke of our "providential" Constitution, the self-evident truths about human dignity in our Declaration, and the "blessings of liberty" that follow from them. "It is these truths," he said, "that have led people all over the world to look to America with hope and respect."

Pope John Paul II was, himself, an inspiration to millions of Americans and to so many more throughout the world. We will always remember the humble, wise, and fearless priest who became one of history's great moral leaders. We're grateful to God for sending such a man, a son of Poland, who became the Bishop of Rome and a hero for the ages.

NOTE: The President spoke at 4:02 p.m. in the Cross Hall at the White House. The Office of the Press Secretary also released a Spanish language transcript of these remarks. The proclamation of April 2 honoring the memory of Pope John Paul II is listed in Appendix D at the end of this volume.

The President's News Conference With President Viktor Yushchenko of Ukraine
April 4, 2005

President Bush. Thank you. It's an honor to stand with a courageous leader of a free Ukraine. Mr. President, you are a friend to our country, and you are an inspiration to all who love liberty. Welcome to America, and we're pleased to welcome your wife as well. We're looking forward to having lunch with you.

President Yushchenko was the first head of state I called after my Inaugural Address. I told him that the Orange Revolution was a powerful example—an example of democracy for people around the world. I was impressed; I know millions of my fellow citizens were impressed by the brave citizens who gathered in Kiev's Independence Square and rightly demanded that their voices be heard. It's an impressive moment, Mr. President, and an important moment. I've oftentimes told our fellow citizens that the world is changing. Freedom is spreading, and I use the Ukraine as an example, along with Afghanistan and Iraq, about a changing world—a world, by the way, changing for the better, because we believe free societies will be peaceful societies.

Mr. President, I appreciate your vision. I want to thank you for our discussion we just had. We discussed a lot of matters. We talked about the neighborhood, of course. We talked about your commitment to fighting corruption, your deep desire to introduce principles of the marketplace in Ukraine. I told the President that our Nation will stand by Ukraine as it strengthens law enforcement, as it fights corruption, as it promotes a free media and civil society organizations. To this end, I've asked Congress to provide $60 million for new funding to help you in your efforts, Mr. President.

We also agree with your desire to join the WTO, and we'll work with your Government to join the WTO as well as to lift the Jackson-Vanik trade restrictions that were created in a different era. Secretary Sam Bodman, who is with us here, will be going to the Ukraine to talk about cooperation on energy. We look forward to working with you, Mr. President, as you build progress at home to become a part of Europe, a Europe that is whole, free, and at peace. And at the same time, we'll continue to work with you to help your ties to the North Atlantic Alliance.

Mr. President, I want to thank you for being an active partner in the war on terror. Our statement reflects our common desire to cooperate on law enforcement matters, our desire to have export controls to prevent the spread of dangerous weapons technology, including nuclear materials, MANPADs, and ballistic missiles.

I appreciate Ukraine's strong commitment to a free Iraq. Ukrainian troops helped to protect the Iraqi people during the elections this January. I look forward to cooperating with your nation to help the Iraqis build a peaceful society.

We share a goal to spread freedom to other nations. I mean, after all, the Orange Revolution may have looked like it was only a part of the Ukrainian—the history of Ukraine, but the Orange Revolution represented revolutions elsewhere as well. And I look forward to working with you, Mr. President, in places like Lebanon and Kyrgyzstan. I want to thank you for your conversation on Moldova. I appreciate the discussion we had on—about Belarus.

All in all, Mr. President, we're really thrilled you're here. I know our Congress is looking forward to having you address them next Wednesday. In the meantime, I want to thank you for our frank and open discussion. We wish you all the best, and in America, you've got a strong friend. Welcome.

President Yushchenko. Mr. President, dear American friends, for me, for my wife, it is a great honor and privilege to be received here in the White House and to hear the words that are addressed to my country, my nation, my homeland.

Our ideals are simple and eternal: We want democracy and freedom—our apparent European aspirations, which we were discussing from the first days, many days before the Maidan events when me and my team went into the politics. This is my vision; this is the vision shared by my team. This is something that my father taught me.

The legacy that we inherited is a very difficult country—Ukraine, where the rule of law did not exist and human rights were not observed, where half of the national economy is a shadow. The humiliated profession of journalism, the journalists wanted to speak the truth and stood against the official power; they could pay dearly. Dearly—I mean it—they could pay their lives for it. We're talking about the country where the number one problem remains to be corruption. We're talking about the country where the huge problem remains the problem of poverty. We realize all those challenges. We realize that it's only—the work that has to be done by the Ukrainian power will help cope with the problems that the country inherited.

However, it is very important, Mr. President, to feel that we have partners standing by, that we are not left in solitude in coping with these troubles. Our conversation began with my saying that for Ukraine, it was a very long road to the Oval Office. I do appreciate the attention that you display and the words that you have said.

And I would like to once again reiterate that the ideals of the new Ukraine are democracy, which we perceive as the priority of people's interests in political, economic, and other areas of development. These are freedom of speech that are the oxygen for democracy; this is a market economy which grants equal rights to people; this is the reliable system of social guarantees that secure protection to the weak. Shortly speaking, the ideals for the new Ukraine are the ideals shared by the Western civilization. I fully concur with my American colleague in his saying that freedom is not the gift for America; this is the Godly gift.

Today, Mr. President, we had a very frank and productive discussion on a very broad spectrum of issues. We were talking about the approaches to deepening our bilateral relations, and this conversation is far from finalization, about the role that democratic Ukraine can play in the regional and global stability, the problem of nonproliferation of weapons of mass destruction and other subjects.

Essentially, on all questions that we raised, we found mutual understanding. I am convinced that relations between our nations are based not only by mutual sympathy but also by the unity of interests and ideals, like the rule of law, protection of fundamental human rights, and respect for people. Majority of my fellow Ukrainians want to see America as their strategic partner, and I am pleased to see that the U.S. President shares this perception, and he has highlighted this support today.

In our joint statement, which we agreed on, based on our negotiations, we have made it clear that Ukraine and the U.S. confirm the new era in the strategic partnership between our nations and the friendship between our peoples. We are looking forward to the effective support from the U.S. administration to the new Government of Ukraine in addressing important issues faced by ourselves, including our accession to WTO by the end of 2005, the lifting of the trade sanctions on Ukrainian-exported goods, Ukraine's accession to European and Euro-Atlantic security alliances.

We have a unique opportunity to write new and historical pages in the chronicle of our relations, to create the new agenda of real and contentful U.S., American strategic partnership. The democratic Ukraine will enhance stability in Europe and worldwide. And strategic partnership with the U.S. will augment the democratic Ukraine. I'm convinced that our two nations will stand by as global partners in order to achieve freedom, security, and prosperity in the 21st century.

I thank you.

President Bush. We'll answer two questions a side. Terry Hunt [Associated Press].

Iraq

Q. Ukraine and Italy and other allies will withdraw their forces from Iraq. Why should the United States continue to pay

most of the cost and suffer most of the casualties when our allies are leaving?

President Bush. Our strategy in Iraq is clear, and it's a common strategy that our coalition has agreed to, and that is to train Iraqi soldiers, Iraqi security forces, so that they can do the hard work of securing their country. And that's what's happening. And I appreciate the contribution that the Ukrainian people have made toward liberating Iraq and helping provide stability in Iraq and providing security for the elections of Iraq.

And the President made clear to me in my first conversation with him that there—that he campaigned on the idea of bringing some troops out. He's fulfilling a campaign pledge. I fully understand that. But he also has said that he's going to cooperate with the coalition in terms further withdrawals, and I appreciate that.

The fundamental question is, is it worth it? And the answer is, absolutely it's worth it for a free Iraq to emerge. We're talking about a part of the world in which, you know, our foreign policy was, let's just hope for the best and tolerate the fact there's no free societies. And what ended up happening was, there was a—tyrants have emerged, tyrants that threatened our security. And so not only was the action worth it, the action is worth it to make sure that democracy exists, and because democracies will yield peace, and that's what we want.

And so we're going to continue to press forward with a strategy that supports the elected Government of Iraq. Today I spoke to the new Speaker of the Transitional Assembly. I wished him all the best. I thanked him for stepping up to take a leadership role. I look forward to working with the new President and Prime Minister. And I look forward to continuing to implement a strategy that will help Iraqis self-govern. And we're making progress toward that goal. And I want to thank the Ukrainians for their support.

You want to call somebody?

NATO and EU Membership for Ukraine

Q. Mr. President, did you hear a clear position of Ukraine concerning its participation in NATO? And is America ready to support Ukraine in joining the Membership Action Plan this year? Thank you.

President Bush. Thank you very much. Well, you know, the first time I met the President was at NATO, during my latest trip to Europe. And my conversation with him there was the same as I had here, and that is there is a way forward in order to become a partner of the United States and other nations in NATO. It is a path, and we want to help Ukraine get on that path as quickly as possible. It is not a given. In other words, there are things that the Ukrainian Government must do in order to satisfy the requirements to be considered for NATO.

And we want to help—the whole purpose of this meeting and the purpose of the previous meeting was to help the Ukrainian Government to understand that which is necessary to do in order to become more likely accepted into NATO. And that's what we want to do. We want to help in this process. And I think it's—I'm a supporter of the idea of Ukraine becoming a member of NATO. I think it's important.

I also know that Ukraine wants to join the EU, and there's things that have to do with the EU. But I do want to assure the Ukrainian people that you don't have to choose between the EU and friendship with the United States. That's not a choice the United States Government will make our friends make. You can be both a member of the EU and a friend of the United States. And so we want to help your Government make the difficult decisions and difficult choices necessary to become available for membership in NATO.

Steve Holland [Reuters].

Pope John Paul II

Q. Thank you. How do you think this Pope has affected America's spiritual and

political life? And how much weight did you give to his opposition to the Iraq war?

President Bush. First, Laura and I are looking forward to leading a delegation to honor the Holy Father. He will go down in history as a—he will show people that one man can make a difference in people's lives. He was a courageous person. He was a moral person. He was a Godly person. And he's had huge influence, Steve, not only amongst, for example, young people in America but around the world. One of his great legacies will be the influence he had on the young.

He spoke to the poor. He spoke to morality. And of course, he was a man of peace. And he didn't like war, and I fully understood that, and I appreciated the conversations I had with the Holy Father on the subject.

I remember going to Castel Gandolfo—Laura and I were there, and I can remember him taking us out on the balcony of this fabulous palace overlooking a magnificent lake and talking about his views of the world. It was a moment I'll never forget during my Presidency.

And so the world will miss him. And it is my great honor, on behalf of our country, to express our gratitude to the Almighty for such a man. And of course, we look forward to the majesty of celebrating such a significant human life.

One more.

Ukraine's Role in Iraq/Syrian Withdrawal From Lebanon

Q. I have a question for both Presidents, but primarily for Mr. Yushchenko. What will be the American-Ukrainian cooperation in Iraq after the withdrawal of Ukrainian troops? And could you please give some details?

President Yushchenko. First of all, I would like to indicate that Iraq is a zone of Ukrainian interest, and therefore, when this question was debated in the Ukrainian Parliament, the majority of the Parliament members spoke in favor of this type of Ukrainian presence in the country.

Another point, which I'm most pleased to indicate, is, in my opinion, the Ukrainian contingent has demonstrated its peacemaking mission in a very effective manner. Over the short period of time that our military contingent has been deployed there, we have retrained three battalions of the national armed forces of Iraq, two companies. We have examined in our hospital about 5,000 local citizens. Due to the securing stability in this region, we returned about 1,500 people to their jobs because it has become much safer to travel to their workplaces.

Beginning from the 9th of January, in our region there is not a single incident in our area, and we therefore believe that it is precisely in this region where the works aimed at restoration of the infrastructure of the province where we had deployed, because there is no water nor other amenities, elementary amenities. And there now these restoration works could be commenced. This will be a very vivid example of how success can be ensured by pursuing peacemaking policy.

We stand for—we remain arguing that Ukraine is committed to pursuing training—retraining programs for the national guard of Iraq to the armed forces of Iraq. We are prepared to share the experience and the material on a mutually beneficial basis to make sure that this order remains. It is my deep conviction that momentum has been created when Ukraine and diplomats, businesspeople, and politicians must do what Ukrainian peacemakers started.

Thank you.

President Bush. Yes. As to what happens over time, that's going to depend on the Iraqi Government. We're dealing with an elected Government. And they will make the decision as to the security relationship; they'll make the decision as to how the country rewards contracts for reconstruction. This is a free country, and in free

countries, governments get to decide—sovereign governments decide their future. And so we look forward to working with the new Government. As you know, it's a process. The Transitional Assembly will be writing a constitution, and when the constitution is written, it'll be ratified. And upon ratification, there will be another election.

And so we look forward to working with the Interim Government, and we look forward to working with the Government that gets elected in December, all aimed at helping Iraq develop into a freestanding, peaceful country, which is in the interests of our children and grandchildren, by the way.

I also want to say something about Lebanon. Syria—I appreciate the fact that Syria has expressed its intent to fully leave the country. That only—that not only means troops but it means security forces, as far as I'm concerned. When they say, "We're going to leave the country," we expect troops and security forces to leave. And secondly, it's important for this election to take place on time. And we look forward to continuing to work with our friends and allies to make sure Lebanon is truly free.

Mr. President, thank you, sir. Let's go have lunch. Appreciate it.

NOTE: The President's news conference began at 11:51 a.m. in the East Room at the White House. In his remarks, he referred to Kateryna Yushchenko, wife of President Yushchenko; and Hajim al-Hasani, Speaker, Iraqi Transitional National Assembly. President Yushchenko spoke in Ukrainian, and his remarks were translated by an interpreter.

Joint Statement by President George W. Bush and President Viktor Yushchenko of Ukraine
April 4, 2005

A New Century Agenda for the Ukrainian-American Strategic Partnership

Today, the United States and Ukraine affirm a new era of strategic partnership between our nations and friendship between our peoples. We commit our nations to working together to advance freedom and security grounded in democratic principles and institutions, which form the foundation of our relationship.

We salute the people of Ukraine who claimed their right to elect freely their leadership. Their brave stand was a victory for democracy inspiring those throughout the world who yearn for freedom and dignity in the face of tyranny, isolation and oppression. The territorial integrity, security, and political and economic transformation of Ukraine are essential to building a Europe whole, free and at peace. We will work together to strengthen democratic institutions in Ukraine and to advance freedom in Europe, its neighborhood and beyond.

We will work to defeat terrorism wherever it occurs and to advance economic development, democratic reforms and peaceful settlement of regional disputes. We are grateful to the men and women of those nations who have served and sacrificed for Iraqi freedom. Today, we pledge ourselves anew to assist the Iraqi people to secure liberty, peace and prosperity, and we join our efforts to assist Iraq in its economic reconstruction. Fear and resentment, the breeding ground of terrorism, must be replaced with freedom and hope.

We also commit to work together to back reform, democracy, tolerance and respect for all communities, and peaceful resolution of conflicts in Georgia and Moldova, and

to support the advance of freedom in countries such as Belarus and Cuba. Citizens in our open societies value the freedom to practice their faiths, and we are committed to promoting religious tolerance globally.

As Ukraine undertakes far-reaching reform at home, it can count on the United States for support. We applaud Ukraine's commitment to curb corruption, promote the rule of law and improve the business climate. Progress on reforms will allow Ukraine to realize its aspirations to move closer to, and ultimately join European, Euro-Atlantic and international institutions.

We will further integrate Ukraine into the world economy and promote investment and trade between our two countries. As a first step, the Ukrainian Government seeks expeditious U.S. recognition as a market economy. We agree to continue our close cooperation to ensure a process that recognizes the evolution of Ukraine's economy.

We are committed to working together to achieve Ukraine's accession to the World Trade Organization (WTO). For its part, the Ukrainian Government will seek to secure, on an urgent basis, approval of legislation and enact regulations that will facilitate accession and contribute to lasting economic reform, including in agriculture, manufacturing, services and the protection and enforcement of intellectual property rights. The United States and Ukraine are committed to working together to complete our bilateral negotiations for Ukraine's accession to the WTO in 2005. We will also cooperate on the outstanding multilateral work that must be concluded for Ukraine's WTO accession. We also support immediately ending application of Jackson-Vanik to Ukraine.

The United States supports Ukraine's NATO aspirations and is prepared to help Ukraine achieve its goals by providing assistance with challenging reforms. The United States supports an offer of an Intensified Dialogue on membership issues with Ukraine at the meeting of Alliance Foreign Ministers in Vilnius, Lithuania later this month. Our cooperation will also deepen through the U.S.-led, largest-ever NATO trust fund to destroy obsolete and excess weaponry.

We are initiating an energy dialogue to cooperate in the restructuring and reform of Ukraine's energy sector to encourage investment, diversify Ukraine's energy supplies, reduce its energy dependence, bolster commercial competition in Eurasian energy sectors and promote nuclear safety. To advance this dialogue, we are establishing an Energy consultative mechanism between our Energy Ministries. United States Secretary of Energy Bodman will travel to Ukraine in the near future to initiate the consultative mechanism and to promote our energy and nonproliferation cooperation.

Building on our cooperation through the G–8 Global Partnership, the Cooperative Threat Reduction Program and the Proliferation Security Initiative, we pledge to begin a new chapter in the fight against the proliferation of weapons of mass destruction and their means of delivery. We will deepen our cooperation on nonproliferation, export controls, border security and law enforcement to deter, detect, interdict, investigate and prosecute illicit trafficking of these weapons and related materials; enhance the security of nuclear and radiological sources; and dispose of spent nuclear fuel. We also agree on the importance of addressing the growing threat posed by the proliferation of ballistic missiles. In this regard, we will explore how we can work together on missile defense, including beginning negotiations on a framework to facilitate such cooperation and closer industry-to-industry collaboration.

The security and stability of nations increasingly depends on the health, well-being and prosperity of their citizens. We therefore commit to cooperate on a broad agenda of social and humanitarian issues, including halting the spread of HIV/AIDS

and TB; fighting the scourge of organized crime, trafficking in persons and child pornography; and completing the Chornobyl Shelter Implementation Plan. To help complete the Chornobyl Shelter, the United States will provide an additional $45 million to the Shelter Fund. Ukraine will also provide an additional financial contribution and facilitate prompt completion of the Shelter. U.S. assistance to Ukraine will particularly focus on solidifying democratic advances through anti-corruption and rule of law programs, media and NGO development, nonpartisan party and election monitor training and other steps to improve electoral institutions and practices.

We also support a bold expansion of contact between our societies. To this end, Ukraine will eliminate visa requirements for Americans, and the United States will reduce visa fees for Ukrainians. We aim to enhance citizen exchanges, training opportunities and cooperation between business communities of both countries.

We commit our two nations to stand together as global partners for freedom, security and prosperity in the 21st century.

NOTE: An original was not available for verification of the content of this joint statement.

Remarks on Presenting Posthumously the Congressional Medal of Honor to Sergeant First Class Paul Ray Smith
April 4, 2005

Good afternoon, and welcome to the White House. Today is a special occasion: We are here to pay tribute to a soldier whose service illustrates the highest ideals of leadership and love of our country.

Sergeant First Class Paul Ray Smith of Florida gave his life for these ideals in a deadly battle outside Baghdad. It is my great privilege to recognize his extraordinary sacrifice by awarding Sergeant Smith the Medal of Honor.

I appreciate Secretary Don Rumsfeld joining us today; Secretary Jim Nicholson of the Department of Veterans Affairs; Senator Carl Levin, Senator Bill Nelson, Senator Mel Martinez, Senator Johnny Isakson, and Congressman Ike Skelton. Thank you all for joining us.

I appreciate Secretary Francis Harvey, Secretary of the Army; General Dick Myers, Chairman of the Joint Chiefs of Staff; General Pete Pace, Vice Chairman; General Pete Schoomaker, Chief of the Army.

I want to thank the Medal of Honor recipients who have joined us today: John Baker, Barney Barnum, Bernie Fisher, Al Rascon, and Brian Thacker. Honored you all are here.

I appreciate the family members who have joined us today. Thank you all for coming: Birgit Smith, his wife; Jessica Smith; David Smith; Janice Pvirre, the mom; Donald Pvirre, stepfather; and all the other family members who have joined us. Welcome.

I appreciate Chaplain David Hicks for his invocation. I want to thank Lieutenant Colonel Tom Smith for joining us, who was Paul Smith's commander. I particularly want to welcome soldiers from the 3d Infantry Division, Paul's unit in Iraq.

The Medal of Honor is the highest award for bravery a President can bestow. It is given for gallantry above and beyond the call of duty in the face of enemy attack. Since World War II, more than half of those who have been awarded this medal gave their lives in the action that earned

it. Sergeant Paul Smith belongs to this select group.

The story of Paul Smith is a story of a boy transformed into a man and a leader. His friends and family will tell you that he joined the Army in 1989 after finishing high school. When he joined the Army, he was a typical young American. He liked sports; he liked fast cars; and he liked to stay out late with his friends, pursuits that occasionally earned him what the Army calls "extra duty"—[*laughter*]—scrubbing floors.

Two things would change Paul's life and lead him to the selfless heroism we honor today. The first would come when he was stationed in Germany and fell for a woman named Birgit Bacher. It turns out that Paul had a romantic streak in him. On the first night he met her, Paul appeared outside Birgit's window singing "You've Lost That Loving Feeling." [*Laughter*] In 1992, the two married, and soon a young soldier became a devoted family man who played tee-ball with his son and taught his daughter how to change the oil in his Jeep Cherokee.

Second great change in Paul's life would come when he shipped off to Saudi Arabia to fight in the first gulf war. There the young combat engineer learned that his training had a purpose and could save lives on the battlefield. Paul returned from that war determined that other soldiers would benefit from the lessons he had learned.

Paul earned his sergeant's stripes and became known as a stickler for detail. Sergeant Smith's seriousness wasn't always appreciated by the greener troops under his direction. Those greener troops oftentimes found themselves to do tasks over and over again, until they got it right. Specialist Michael Seaman, who is with us today, says, "He was hard in training because he knew we had to be hard in battle." Specialist Seaman will also tell you that he and others are alive today because of Sergeant Smith's discipline.

That discipline would be put to the task in a small courtyard less than a mile from the Baghdad airport. Sergeant Smith was leading about three dozen men who were using a courtyard next to a watchtower to build a temporary jail for captured enemy prisoners. As they were cleaning the courtyard, they were surprised by about a hundred of Saddam Hussein's Republican Guard.

With complete disregard for his own life and under constant enemy fire, Sergeant Smith rallied his men and led a counterattack. Seeing that his wounded men were in danger of being overrun and that enemy fire from the watchtower had pinned them down, Sergeant Smith manned a 50-caliber machine gun atop a damaged armored vehicle. From a completely exposed position, he killed as many as 50 enemy soldiers as he protected his men.

Sergeant Smith's leadership saved the men in the courtyard, and he prevented an enemy attack on the aid station just up the road. Sergeant Smith continued to fire and took a—until he took a fatal round to the head. His actions in that courtyard saved the lives of more than 100 American soldiers.

Scripture tells us, as the general said, "that a man has no greater love than to lay down his life for his friends." And that is exactly the responsibility Paul Smith believed the sergeant's stripes on his sleeve had given him. In a letter he wrote to his parents but never mailed, he said that he was prepared to "give all that I am to ensure that all my boys make it home."

On this day 2 years ago, Sergeant Smith gave his all for his men. Five days later, Baghdad fell, and the Iraqi people were liberated. And today we bestow upon Sergeant Smith the first Medal of Honor in the war on terror. He's also the first to be awarded this new Medal of Honor flag, authorized by the United States Congress. We count ourselves blessed to have soldiers like Sergeant Smith, who put their lives

on the line to advance the cause of freedom and protect the American people.

Like every one of the men and women in uniform who have served in Operation Iraqi Freedom, Sergeant Paul Smith was a volunteer. We thank his family for the father, husband, and son and brother who can never be replaced. We recall with appreciation the fellow soldiers whose lives he saved and the many more he inspired. And we express our gratitude for a new generation of Americans, every bit as selfless and dedicated to liberty as any that has gone on before, a dedication exemplified by the sacrifice and valor of Sergeant First Class Paul Ray Smith.

And now if his family would join me, please. Lieutenant Commander, please read the citation.

NOTE: The President spoke at 3:07 p.m. in the East Room at the White House. In his remarks, he referred to Paul Ray Smith's son, David A. Smith, and daughter, Jessica M. Smith; and Maj. Gen. David Hicks, USA, Army Chief of Chaplains. Following the President's remarks, Lt. Cmdr. Keith B. Davids, Navy Aide to the President, read the citation.

Remarks Following a Tour of the Bureau of the Public Debt in Parkersburg, West Virginia
April 5, 2005

The President. See, what's interesting is a lot of people believe that the Social Security trust is—the Government takes a person's money, invests it, and then pays it back to them upon retirement. It doesn't work that way.

Susan Chapman. That's right. That's exactly right.

The President. This is what exists. And it's very important, then, to make sure that in the future that there's real assets for retirees.

But I want to thank you all for having me come. I want to thank all the workers here for representing the mighty United States. I'm proud to work with you. I thank you for what you do. And my message here in town is that we have an obligation to take the system that Franklin Roosevelt created and make it work for a younger generation of Americans. I'm looking forward to working with Congress to do that. That's what the American people expect. They expect us to modernize the system.

Anyway, thanks for having us.

Ms. Chapman. Well, thank you for coming. We're proud to have you visit us.

The President. Thanks.

NOTE: The President spoke at 10 a.m. Participating in the tour was Susan Chapman, Director, Division of Federal Investments, Bureau of the Public Debt. A tape was not available for verification of the content of these remarks.

Remarks on Strengthening Social Security in Parkersburg
April 5, 2005

Thank you all. Please be seated. Thank you all. It is nice to be back in Parkersburg. Thanks for having me. It just seems like yesterday that I was here. [*Laughter*] It's

great to be back in West Virginia as well. I'm struck by the—every time I come here I'm struck by the beauty of this State. And of course, you put on a beautiful day, for which I'm grateful.

One of these days I'm going to bring my mountain bike. I love to exercise. I'm doing it to make sure that I do the job you expect me to do, and I'm doing it to set an example as well. I think people need to get out all around our country, walk every day or ride your mountain bike every day, get a little exercise every day, stay fit and healthy.

Speaking about staying fit and healthy, that's what we need to make sure we do for our Social Security system too. I'm here to remind the good folks of West Virginia that we have a problem, and we have a duty to renew one of great—America's great institutions, and that's the Social Security system.

I've now traveled to 20 States to talk about Social Security, 20 States in 2 months, all aimed at making sure that the American people understand the situation with Social Security. And more and more Americans understand there is a problem, and I hear from more and more Americans that they expect those of us who are honored to serve in Washington to fix the problem.

I have just come from the Bureau of Public Debt. I want to thank Van Zeck, Keith Rake, and Susan Chapman. Susan was the tour guide there at the Bureau of Public Debt. I went there because I'm trying to make a point about the Social Security trust. You see, a lot of people in America think there's a trust, in this sense, that we take your money through payroll taxes, and then we hold it for you, and then when you retire, we give it back to you. But that's not the way it works.

There is no trust fund, just IOUs that I saw firsthand, that future generations will pay. They will pay for them in either higher taxes or reduced benefits or cuts to other critical Government programs.

The office here in Parkersburg stores those IOUs. They're stacked in a filing cabinet. Imagine, the retirement security for future generations is sitting in a filing cabinet. It's time to strengthen and modernize Social Security for future generations with growing assets that you can control, that you call your own, assets that the Government cannot take away.

I'm sorry that Laura is not traveling with me today. She's doing great. She and I will be taking off tomorrow morning to pay our country's respects to a great world leader in His Holiness. He shows that one man can make an enormous difference. And I look forward to honoring the memory of Pope John Paul II. So, she's packing her bags. [*Laughter*]

I want to thank the President of West Virginia University at Parkersburg. Madam President, I'm sorry I missed your inauguration. [*Laughter*] But thank you for serving. Dr. Marie Gnage is with us. I appreciate you letting us use this facility.

Before coming out here, I had the honor of saying hello to a lot of folks who are involved with the community college system of West Virginia. I'm a strong believer in the community college system around our country, because I understand that the community college system is a—provides a great opportunity for many of our young and for many of our workers to gain the skills necessary to fill the jobs of the 21st century. The community college system provides a wonderful opportunity for States and communities to say to potential employers, we have got a fantastic asset in our midst to make sure that the workers can fill the jobs that you desire. And so for those of you involved in the community college system around the State of West Virginia, thanks for being here and thanks for what you're doing.

I want to thank the secretary of State, Betty Ireland, for joining us. I'm proud you're here, Madam Secretary. Thanks for taking time. I want to thank Mayor Jimmy Colombo for joining us. Mr. Mayor—there

he is. Thank you, Jimmy. I appreciate the way the mayor approaches his office. He doesn't care whether I'm a Republican or Democrat or independent; he just—he's a hospitable fellow. [*Laughter*] Every time I come to this part of the world, he says, "Welcome." And I appreciate you, Mr. Mayor, and I appreciate you being here today. Thanks for coming.

I want to thank all the State and local officials for joining us today. When I landed, I met June Roberts. She's a volunteer with the Retired and Senior Volunteer Program. We call it RSVP. They exist all around the country. In 2001, she founded Senior Stitchers. Listen to what these good folks do: They prepare sewing and craft projects, including wheelchair pads, blankets for local child service agencies, senior centers, and hospitals. These are good folks. They're taking time out of their lives. June and her buddies—I think she said there's eight or nine of them—take time out of their day to volunteer to help make somebody's life better.

Let me tell you one way you can help the good folks in Parkersburg. A way to serve our country is to find somebody who hurts, take time out of your life, surround them with love, feed the hungry, find shelter for the homeless, listen to that universal call to love a neighbor just like you'd like to be loved yourself, and you'll be serving America.

So where is June? I think June is here somewhere. June, thanks for coming. Thank you for setting such a good example.

On my trips around this country, I have made it as clear as I possibly can that the Government will keep its promise to those who have retired or near retirement, and that's very important for a lot of people to hear. I understand how important the Social Security check is to a lot of our citizens. A lot of people depend on that Social Security check. And therefore, I understand that when it comes time to talking about making sure the system is strong for a younger generation, sometimes the message can get confused. In other words, when a senior hears the President talking about Social Security, he or she may be concerned about whether or not that check that they're getting today is going to continue to come tomorrow. I understand that.

And I can understand why people are sometimes confused because there's a lot of propaganda in the mix. In other words, people are saying things that simply aren't true. They're saying, "Well, if you try to reform the system for a younger generation of Americans, then you may not get your check."

I'm here to tell you, those who've retired are going to get their check. Those who are near retirement are going to get their check. The system will not change in any way for people who have been born prior to 1950. And I'm going to keep saying it over and over again.

The problem is that the Government is making promises to younger Americans that it cannot keep, and that's important for folks to hear. You see, Social Security was designed as a pay-as-you-go system, not as a trust system. Pay-as-you-go, the—you know, the workers will pay into Social Security through the payroll taxes, and then it immediately gets paid out. It gets paid out to pay for benefits, and if there's any money left over, it pays for a lot of other Government programs. What goes in, goes out. Right now, more money is coming into the Social Security system than going out. And that's how we help fund the programs. A lot of people in West Virginia don't understand that, that the system is a pay-as-you-go system. And this works fine, so long as you got enough workers paying for the benefits of those who've retired.

In 1950, there were 16 workers paying into the system for every beneficiary. In other words, the Government promised you your retirement check, and there's 16 people paying for that check. That kind of keeps the load relatively light. Today, there are three workers paying for each beneficiary. In other words, one of the things

that's happened for the Social Security system that people must understand is that there are fewer people paying into the system per beneficiary. In a relatively short order, there will be two workers paying into the system for every beneficiary.

Now, that's just only half of the equation. And here's the other half: Americans are living longer and enjoying longer retirements. Life expectancy has increased. They're collecting benefits for longer periods of time. In other words, if you've retired and you're living longer, the system must pay your benefits longer—fewer people paying into the system, and people are living longer, collecting their benefits longer. So you're beginning to get a sense to where the bind is coming.

And not only that, there's a lot of us who are getting ready to retire. We are called the baby boomers. There's a big bulge of baby boomers, when you look at the charts. I know; I'm one. As a matter of fact, my retirement age—or when I become eligible for retirement benefits is 2008. That's when I turn 62. It's quite a convenient date in my case. [*Laughter*] And to compound the issue even further, a lot of people running for office in the past have said, "Vote for me; I will increase your Social Security benefits." And so my generation has been promised greater benefits than the previous generation. So you've got a lot of people living longer, getting greater benefits, with fewer people paying into the system.

And when I start drawing out and when my generation starts drawing out of the system instead of paying in the system, the stresses on the system will really begin to grow. And that's important for you to understand. In other words, when you start thinking about whether or not the system is solvent for younger Americans, think about this: In each passing year, we'll have fewer workers paying even higher benefits to a larger number of retirees, and therein lies the problem.

Social Security is going to be fine for those of you who have received your check. It's going to be fine for people who have retired or who will retire and your birth date is prior to 1950. You're—nothing is going to change. The system is in good shape for you. It is not going to be fine for younger workers coming up. In 2017, the Social Security system will go into the red. That means more money will be going out of the system than coming in. In other words, baby boomers will be retiring, start to living longer, greater benefits promised to us, and the pay-as-you-go system goes negative. More money will be going out than coming in through payroll taxes. And every year after that, the shortfall gets worse. In other words, it's an accelerating problem.

As a matter of fact, according to the Social Security trustees, waiting just one year adds $600 billion to the cost of fixing Social Security. The longer we wait, the more the problem becomes severe. In 2027, there will be $200 billion going out more than coming in. Somebody is going to have to pay for that. Somewhere there's got to be a give in the system. We have a real problem.

The good news is more and more Americans are beginning to understand we have a real problem. And more and more Americans who are receiving a Social Security check are being reassured that nothing will change. And when that happens, there's a fundamental question that's being asked. A lot of grandparents are now starting to ask, "What are you going to do for my grandchildren?" I believe this is a generational issue. This is an issue where, once folks understand nothing is going to change and they understand we have a problem, the logical question to people like me and others in Washington, DC, is, "How are you going to take care of my grandchildren?" It's a natural inclination for grandparents to start worrying about their grandchildren. And it's a legitimate concern.

I met with Betty Earl coming in. She's lived in Parkersburg for about 40 years—or the area for 40 years. She has two daughters in their thirties. She doesn't think the Social Security system will be there when they retire. She represents the attitude of a lot of folks, now that this issue is becoming clarified. She said, "It doesn't take an Einstein to see where Social Security is headed." And she doesn't want Congress to wait until Social Security goes bust before starting to fix it.

I appreciate that understanding. I appreciate Betty Earl. I doubt she's got a Ph.D. in economics. Maybe she does. But it doesn't retire—doesn't require much education and brilliance to figure out we've got a serious problem, when you think about the math: More people living longer, with greater benefits, and fewer people paying into the system.

And so Betty wants to know, like a lot of other people want to know, "What are you going to do about it?" And I'm here to tell you, I'm willing to listen to any idea. This isn't a Republican problem or a Democrat problem; this is a problem for the United States of America. And I think now is the time for people in Congress to stop playing politics with the issue and come to the table with how they think it ought to be fixed.

I recently traveled the country on some stops with former Democrat Congressman Tim Penny, a Democrat from Minnesota, who has some good ideas. As a matter of fact, I mentioned his name, I think, in my State of the Union Address. I mentioned former President Clinton's name in the State of the Union Address, because when he was President, he put forward some interesting ideas as what we ought to consider as to how to fix this issue permanently. He spoke of increasing the retirement age. Then he talked about tying Social Security benefits to prices rather than wages.

In 2001, I put together a Commission in anticipation of Social Security becoming a greater issue. As a matter of fact, I campaigned on the issue in 2000. And I asked the Democratic—former Democrat Senator Daniel Patrick Moynihan of New York to chair the Commission. He's a thoughtful fellow. He—I put Republicans and Democrats on the Commission. I said, "Why don't you all come together and make some recommendations," which they did, all aimed at strengthening Social Security for a younger generation and permanently fixing the problem.

And there's some basic principles that ought to guide our efforts. First, we should not raise the payroll tax rates, in order to make sure that—the reason I say that is that it would cost our economy jobs. One of the things, when we put policy in place, we ought to make sure that policy encourages economic vitality and growth and that we're stimulating the small-business sector of our economy. We must make sure that Social Security continues to provide dignity and peace of mind for low-income Americans. In other words, the system ought to be structured so low-income Americans are—have got dignity in retirement.

Americans must reject temporary measures. In other words, you'll hear people in Washington say, "Well, we got a 75-year fix, for example." You know, in 1983, the issue came to focus, and President Reagan and Speaker Foley as well as other Republicans and Democrats set aside their partisan differences and said, "Look, we have an obligation to act on behalf of the country." And they came together and put what they thought was a 75-year fix to the problem. The problem is that the 75-year fix wasn't a 75-year fix, because here we are, 22 years later, talking about it again. See, that's a misnomer.

What was—I like the spirit of them coming together, trying to work it out. But they didn't permanently solve the problem. See, the job of the President is to fix problems, not pass them on to future Presidents and future Congresses.

And so I'm going to continue to call upon Congress and say, "One, I'm going to work with you. I'm interested in your ideas, and when we get together, let's permanently fix the problem. Let's do our duty. Let's do that which the American people expect of us."

The Senate, I thought, passed an interesting resolution the other day. On a 100-to-nothing vote, they called for a permanent fix. That was constructive. [*Laughter*] That was step one. [*Laughter*] Step two is, now let's just follow through and deliver one.

As we make Social Security permanently solvent for a younger generation—senior citizens are receiving their check today, going to get their check, nothing will change. People, baby boomers, like me, are—born prior to 1950, the system is strong enough to take care of us. We must worry about a younger generation of Americans. And as we work to make the system permanently reformed, we need to make it a better deal for our younger workers too. And here's an idea that I think people ought to consider.

I think people ought to have a—given an opportunity to have more control over their own retirement funds, the chance to tap into the power of compound interest, the ability, if they so choose, to watch their money grow in an account, a savings account of bonds and stocks. That's why I proposed that Congress consider allowing younger workers to set aside part of their Social Security contributions in a voluntary personal retirement account.

A voluntary account—you notice I keep saying "voluntary." I mean, doesn't it make sense for Government to say to a younger worker, "If you so choose, you should be allowed to take this option"? Nobody is saying, "You must take the option," or "you can't take the option." What we're saying is, "If you decide to, you should be allowed the opportunity to invest about a third of your payroll taxes in a conservative mix of bonds and stocks." The money would grow over time. It could provide a better rate of return than anything the current Social Security system can provide. And that's important. It's that difference between what the current system provides and what you can earn in a conservative mix that makes a big difference about what you have when it comes time for you to retire.

A younger worker earning an average of $35,000 a year over a career could retire with a nest egg, under this plan, of nearly a quarter million dollars, a nice addition to that worker's Social Security check. You see, the savings account is in addition to, a part of the retirement plan, not the retirement plan; it's a part of a Social Security retirement plan.

Since 1983, the last time Congress tried to reform stock investments—tried to reform, the stock investments on average have returned more than a thousand percent. That's how your money grows. Notice I said "conservative mix." You can't take your money and put it in the lottery or take it to the track. I mean, there's a conservative mix. When I say "conservative mix," I mean conservative mix. But a conservative mix will get you a better return on your money than the current system. And it's that differential, that rate differential which grows over time to enable a younger worker who only makes 35,000 over his or her lifetime to end up with a nest egg of $250,000 as part of a retirement package. And that's your money.

Again, I repeat, younger workers can choose to join this if they want to. You know, a lot of folks say, "Well, you know, the investment may be too difficult." But just think about what's changing in America today. Mayor, when you and I were coming up, they didn't talk much about 401(k)s. The 401(k) now is available for a lot of workers. A lot of workers are watching their own money grow through a 401(k) account. They understand what the investment world is like. I don't remember, when I was growing up, worrying about the solvency of the Social Security system. I hear

from a lot of younger folks; a lot of your grandchildren are saying, "What are you going to do about it, Mr. President," and, "By the way, just give me a chance to make decisions for myself. Give me a chance to build up hard assets, instead of paper assets in a file cabinet."

We've got to make sure that there are strict guidelines. We've got to make sure the earnings aren't eaten up by hidden Wall Street fees. We'll make sure the good options to protect investment from market swings on the eve of retirement. There are ways to make sure the system works. You're not going to be able to empty all your account out when you retire; it's going to be a part of a retirement plan.

But this concept isn't new, and this is what people must understand. You see, we've had what's called the Thrift Savings Plan for Federal employees and Members of Congress for a long period of time. And you know what the Thrift Savings Plan says? It says Members of Congress, United States Senators, people who work in Washington or elsewhere for the Federal Government can set aside some of their own money as part of their retirement plan in a conservative mix of bonds and stocks.

I found that to be really interesting. You see, it's pretty interesting that Congress a while ago thought this was a good idea, to allow their money to grow at a decent rate of return in a conservative mix of bonds and stocks. And it seems to make sense to me that if it's all right for the United States Congress and the United States Senate to give people the option of watching their own money grow, then it ought to be good enough for workers all across the United States.

I just talked to Drew Kefeli. He's a single dad. He became interested in Social Security reform because of his 16-month-old daughter. Interestingly enough, he named his daughter Jenna. [*Laughter*] The guy has got great taste. [*Laughter*] He likes the idea of personal accounts because he wants to build, to leave something to Jenna. Under the present system, the Government will keep the money he's put into Social Security if he dies before he can collect.

Think about the system today. I met with widows whose husband predeceased them, and he might not have been 62 years old when he died, and there she is, with maybe family members and nothing but a small amount of money for burial. Yet all the money that the person put in the system is just kind of—it's not around. Or you take a spouse who's been working all his or her life, and both spouses worked, which is very common in America today, both contributing to the Social Security system. One dies early, and then the remaining spouse gets to keep their survivor benefits or his or her own retirement benefits but not both. In other words, one of the two have been contributing to the system, and they get nothing for the contribution.

See, if you're allowed to set aside some of your money, like Drew wants to do, into your own asset base, if a tragedy strikes early it will give you an asset to leave to somebody you love. It's your money. You get to decide what to do with it. As Drew said, he said the personal account would give him greater peace of mind about Jenna's future. I like that idea. I like the idea of making sure inheritance is not just a privilege limited to the wealthy. I like the idea of encouraging an ownership society where a mother or father, as a result of hard work, can set aside money, if he or she chooses, in a personal account that he or she can leave to whomever she wants or whomever he wants. I think it's healthy for a society to have assets passed on from one generation to the next.

The American Dream is built on the independence and dignity that come from ownership. Ownership shouldn't be restricted in America. We want more people owning their own home, and that's happening all across our country. Do you realize more minority families own a home today than ever before in our Nation's history? And that's important. I want more

people owning their own business. I love the idea of people saying to me, "Mr. President, I'm proud of my business. I started my own business." And I think it makes sense to have people being able to own and manage their own money, a part of their own money in the Social Security system. After all, the payroll taxes are contributed. That's not Government money. That's your money. And the Government ought to give you—be wise enough to let you manage some of it.

I'm going to continue to discuss this issue around the country. It's an important issue. Once the grandmoms and granddads understand that they're going the get their check, a lot of them are going to start saying to the elected officials, "What are you going to do about my grandchildren?"

Franklin Roosevelt did a good thing when he created the Social Security system. It's worked. But the math has changed. A lot of people are getting ready to retire. They're going to live longer, receive greater benefits, and fewer people paying in the system. The longer we wait, the more costly it's going to be to a future generation of Americans. And now is the time to act, because your retirement security is a lot more important than partisan politics.

Thanks for letting me come by. God bless. Thank you all.

NOTE: The President spoke at 11:14 a.m. at West Virginia University at Parkersburg. In his remarks, he referred to Van Zeck, Commissioner, D. Keith Rake, Deputy Assistant Commissioner for Public Debt, and Susan Chapman, Director of the Division of Federal Investments, Bureau of the Public Debt; West Virginia Secretary of State Betty Ireland; and Mayor Jimmy Colombo of Parkersburg, WV.

Remarks Following a Cabinet Meeting and an Exchange With Reporters
April 5, 2005

The President. Just concluded our second Cabinet meeting of the second term. I want to thank my Cabinet officials for doing such a fine job. I appreciate your hard work, and thank you for your dedication to the country.

Tomorrow I will be leaving for Rome, leading a delegation to attend the services for His Holiness Pope John Paul II. What a great man. It will be my honor to represent our country at a ceremony marking a remarkable life, a person who stood for freedom and human dignity.

I also urge the Congress to successfully conclude budget negotiations. The House passed a budget resolution; the Senate has passed a resolution. We look forward to working with the leadership to successfully conclude those negotiations. It's important we get a budget, a budget which will show the American people that we will spend their money wisely, a budget that shows that we know how to set priorities—winning the war on terror, protecting our homeland—a budget that says we can cut the deficit in half in 5 years, and a budget that will encourage economic growth and vitality.

I appreciate the fact that it looks like that we're going to get a solid cap on discretionary spending, one that we agree with. It's also important for the Senators and the Members of the House of Representatives to understand that a good, solid budget that helps us meet objectives is one that deals with mandatory spending items. And we've presented some meaningful, realistic, commonsense reforms on the mandatory spending side.

And so, as Congress returns, I look forward to working with them to get a good, solid budget. It's important for the country.

Now I'll answer a few questions. Jennifer [Jennifer Loven, Associated Press].

Terrorist Attack at Abu Ghraib Prison in Iraq

Q. Yes, sir. Al Qaida has claimed—[*inaudible*]—responsibility for the attack on Abu Ghraib prison. Is this a sign that they're becoming more sophisticated in Iraq?

The President. No, I think it's a sign that they're still deadly, that these people will kill. They kill innocent life. Their strategy hasn't really changed. Their strategy has been one to kill as many innocent people as they possibly can, in the hopes that it shakes our confidence and shakes our will and, equally importantly, shakes the will and confidence of those brave souls who are helping lead this new country—or lead this new democracy.

And we are—we're after them. And equally importantly, the Iraqi citizens are after them now. More and more citizens understand that these terrorists like Al Qaida and Zarqawi don't have their interests at heart. They don't believe in democracy, these killers. They believe in a society in which people aren't going to be free to practice their religion or free to speak in the public square.

And so I think the American people ought to take heart to know that we have now more allies in defeating these few, and those allies are the Iraqi citizens. And perhaps the most notable step that the Iraqi citizens took toward complete defiance of the point of view of Zarqawi, who is an Al Qaida-type, was when they went to the polls.

Adam [Adam Entous, Reuters].

Israeli West Bank Settlements

Q. Mr. President, Prime Minister Sharon has said he intends to expand the largest Jewish settlement in the West Bank. Other officials say no construction is imminent. Are you satisfied? And what will you tell Sharon when you see him, about the settlements?

The President. Our position is very clear that the roadmap is important, and the roadmap calls for no expansion of the settlements. I'm optimistic we can achieve a peace in the Holy Land. I'm optimistic because I firmly believe that Ariel Sharon wants to have a peaceful partner, wants there to be a democracy in the Palestinian Territories, and I believe President Abbas wants the same thing. And there's a lot of hard work to be done, but we're making progress. And I look forward to meeting the Prime Minister in Crawford to continue to work with the parties to advance peace.

Carl [Carl Cameron, FOX News].

Federal Deficit/Strengthening Social Security

Q. Thank you, Mr. President. You mentioned the deficit. Insofar as the deficit has been going up, can you talk about how that affects both the budget resolution talks on the Hill and what it does to your pitch for Social Security reform in terms of complicating the message and the criticism you've gotten, particularly from Democrats?

The President. Well, one of the things that people must understand on Social Security is there is a huge unfunded liability of trillions of dollars. In other words, because baby boomers like me are getting ready to retire and we're living longer and we're getting greater benefits, there is a significant obligation by the Government. And the fundamental question is, will Congress have the will to take on this very important issue and solve this problem now, before that significant obligation becomes more significant?

Now, we're dealing with the deficit by presenting a good, lean budget that sets priorities. I want to thank Josh Bolten of the OMB, and I want to thank all my Cabinet Secretaries for having worked with the OMB to deliver to Congress a budget that

will work on behalf of the American people. And now it's up to Congress. It's up to Congress to show the American people that we have the capacity to de-fund programs which don't work and fund programs which do work.

And I'm looking forward to working with Members of both the House and the Senate. It's going to be an interesting set of negotiations. But we're firm in our belief that we can cut this deficit in half over a 5-year period of time, grow this economy, and meet our primary objective, which is defending America.

Listen, thank you all very much.

NOTE: The President spoke at 3:14 p.m. in the Cabinet Room at the White House. In his remarks, he referred to senior Al Qaida associate Abu Musab Al Zarqawi; Prime Minister Ariel Sharon of Israel; and President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Statement on the Election of the Presidency Council of the Iraqi Transitional Government
April 6, 2005

Iraq's Transitional National Assembly took a momentous step forward in Iraq's transition to democracy today, voting by an overwhelming majority to elect the Presidency Council of the Iraqi Transitional Government.

I congratulate Iraq's next President, Jalal Talabani, and its next Deputy Presidents, Adil Abd al-Mahdi and Ghazi al-Ujayl al-Yawr, on this historic occasion. These individuals will be formally sworn in tomorrow and will move quickly to name a Prime Minister who will work during the coming days to select a Council of Ministers. The new Iraqi Government will then begin its important work of writing a new constitution, continuing to train Iraqi security forces, delivering basic services, and advancing Iraq's transformation from dictatorship to democracy.

The Iraqi people have shown their commitment to democracy, and we, in turn, are committed to Iraq. We look forward to working with this new Government, and we congratulate all Iraqis on this historic day.

Statement on the Death of Prince Rainier III of Monaco
April 6, 2005

Laura and I join Americans across the country in mourning the loss of His Serene Highness Prince Rainier III of Monaco. He will be remembered as a respected leader who secured the prosperity of Monaco's people. Monaco and the United States have long had a special bond of friendship. We extend our deepest condolences to His Serene Highness Prince Albert, to the Grimaldi family, and to all the people of Monaco.

Interview With Reporters Aboard Air Force One
April 8, 2005

Pope John Paul II's Funeral

The President. Listen, were you there in person?

Q. Yes.

The President. One, I'm really glad I came. There was never any question I would come. Last night we hosted a reception at the Embassy for many of the leaders of the Catholic Church at home, and they were very grateful that I came and Laura came and Dad came and President Clinton came and Condi came as well as others. And I told them, to a person, that it's such an honor to represent our country at a ceremony honoring a truly great man who is and will always be a great historical figure.

I knew the ceremony today would be majestic, but I didn't realize how moved I would be by the service, itself, by the beautiful music. I was struck—as an aside—struck by the fact that the sound was so clear in this huge facility. It was as if we were inside the cathedral listening, and the voices were so pure. I thought the homily was really good. We were given an English version, fortunately—if you haven't read it, maybe you've seen it? Yes. Beautiful. Beautiful. Beautifully done.

I was struck by the response of the crowd. And I think it's interesting to note the moments where the crowd responded. One in particular is when His Eminence spoke to His Holiness's relationship to the young of the world, and there was a great outpouring of enthusiasm for that line. And then I think the thing that struck all our delegation most intensely was the final scene of the plain-looking casket—one of three, by the way, lead, wood, and wood—being carried and held up for the seal to be seen, and then the sun pouring out. This will be one of the highlights of my Presidency, to have been at this great ceremony.

So off we go to home now.

Pope John Paul II's Legacy

Q. Your predecessor suggested that the Pope would leave a mixed legacy, even though he was a great man. Since you differed with him on the war to such a great degree, do you also think it will be a mixed legacy?

The President. I think Pope John Paul II will have a clear legacy of peace, compassion, and a strong legacy of setting a clear moral tone.

Upcoming Meeting With Israeli Prime Minister Ariel Sharon

Q. You're going to see Prime Minister Sharon soon. There's been some talk in Israel that maybe you're not going to raise this issue of this latest settlement expansion. Are you going to do that?

The President. I've raised the issue of settlement expansions publicly. I mean, it was upon the prompting of your question. You bet. What I say publicly, I say privately. And that is, the roadmap has clear obligations on settlements and that we expect the Prime Minister to adhere to those roadmap obligations. And the roadmap has got obligations for the Palestinians. We have a great opportunity—"we," the world, has a great opportunity to help a democracy grow—begin and grow, starting in the Gaza.

The Prime Minister of Israel has decided to pull out of Gaza. As you know, I applauded that decision at the White House, with him standing by my side. And I think now is the time to focus the world's attention on what is possible. And we've already started that process of realizing the possible by having General Ward work with the Palestinians to streamline and coordinate Palestinian security forces so that, upon the withdrawal of Israeli forces from Gaza,

there is a security presence that will protect people.

We've got to do more. We've got to make sure that an economy can flourish there.

Q. So you're going to try to talk him out of this latest settlement expansion he's talking about?

The President. My position is clear, and I will—I stated, obviously, now the second time in a brief period of time, and I will say so privately as well.

I think you need to know what the successful strategy will be. And that is there is more than just security in Gaza. We need to have institution-building, and there needs to be an international effort that encourages and fosters economic vitality so that a government which does emerge in Gaza will be able to better speak to the hopes of those who live in the Gaza. And success in the Gaza will make success on the West Bank easier. And so one of our—I will be talking to the Prime Minister about the need to work with the Palestinian Government, President Abbas, to facilitate success, to enhance success.

Let me make sure I go back to the first answer on His Holiness. I said—I think my answer was, is that—what did I say?

Pope John Paul II's Legacy

Q. I asked if you thought it was a mixed message, and you said, "I think John Paul II will have a clear legacy of peace."

The President. A clear and excellent legacy, if you don't mind adding the word "excellent."

Q. Clear and excellent.

The President. Yes. In other words, a strong legacy. I wanted to make sure there was a proper adjective to the legacy I thought he left behind. It was more than just "clear."

Press Secretary Scott McClellan. You said "strong," too, in that answer.

The President. Okay.

Q. Yes, you said "strong legacy of setting a clear moral tone."

The President. Fine. Okay, good.

Democracy in the Middle East

Q. Getting back to the Middle East for a moment, there have been hopeful signs in the region lately. But some in the region think that some of our allies there, particularly Saudi Arabia and Egypt, still are not doing enough to help foster democracy in their own countries. Do you think they're doing enough, or are you encouraging them to——

The President. We will continue to encourage democracy. But I also have said many times that it is important for those of us who live in a democratic society to remember two things: One, our own road to democracy was a little bumpy; we have a Constitution and a Declaration of Independence but, nevertheless, had slavery for a long period of time, for example. And secondly, that we shouldn't expect others to adapt that which we think—we shouldn't try to impose our democracy on other nations. What we should say is, "We'll work with you to develop a democracy which adapts to your own cultures and your own religions and your own habits."

I'm fully aware that there is work to be done. But I think it's also our job to encourage those nations and, at the same time, recognize that all nations are not starting at the same spot in order to achieve democracy. I mean, Iraq, it's very important for us in Iraq to recognize that we—we transferred sovereignty 10 months ago. Remember we all traveled to NATO—to the NATO summit? And it may seem like an eternity to you all—[*laughter*]—but 10 months in the greater scheme of things is a short period of time. And nevertheless, during that short period of time, the Iraqis have voted, and today they've announced their Prime Minister. The Government will be up and running, the Government Assembly there, to write a constitution. In other words, things are happening quite rapidly, which is positive.

But nevertheless, there is a certain—there's got to be a certain realism about how fast things can possibly happen, given where different nations have started from.

Now, I will continue to press forward on encouraging democracy and reform in every nation, because I believe that is the ultimate strategy to defeat the terrorists. In the short run, we'll continue to find them and work with nations to find them and share intelligence to find them, bring them to justice. In the long term, the spread of freedom and democracy—democracies reflecting the nature of the people and the history of those countries will mean that generations will more likely grow up in peace.

Pope John Paul II's Funeral

Q. When you sat there surrounded by that incredibly—array of world leaders and looked forward to the kind of spread of democracy you're talking about, is there something about just that assemblage there? Who did you talk to? Who did you see? And did it strike you that this was a remarkable ability to pull together such disparate people?

The President. I was most attentive to the ceremony, itself, and was amazed by the size of the crowd. We came walking out of the grand stairway, and it was a very inspiring sight.

Q. And the flags.

The President. And the flags and the statues and just—yes, the bishops and the archbishops and different leaders of the churches right across the way from me. Of course, the cardinals—you know, a handful of whom I know, have gotten to know quite well and admire greatly, by the way. So that was pretty well my focus there.

When I first got there—when Laura and I first got there, we shook hands with the folks around us. Obviously, Jacques and Madam Chirac were right next door; I spent some time visiting with them. But everybody there was—there wasn't much chitchat. There was intense focus on the ceremony.

Q. But what it represented, to have that many people——

The President. No, I understand. I believe that is part of the power of Pope John Paul II. And he was such a believer in freedom. I saw Lech Walesa, for example. I was struck by the number of Polish flags that were in the crowd.

You know what was really interesting? There were some signs urging that His Holiness be made a saint.

Q. Now!

The President. "Now," yes—"*subito.*" You know, I really didn't reflect that much on the politics of the moment during the ceremony. I was more—I thought a lot about Pope John Paul II. I mean, here's a person who has shown that a single individual can make a big difference in history and that, in my judgment, he received his great power and strength from the Almighty.

Q. Just to follow up on that, Mr. President, a couple questions about the Pope. One, I noticed at one point you had your glasses on, and you were following along—I'm not sure if you were looking at the homily at that point or maybe, did you have one of those guides that——

The President. I did. It's hard to follow—my Spanish is not very good—[*laughter*]—nevertheless, it is decent enough to pick up sounds that then can help me follow the Italian.

Q. Had you ever been to a Latin mass before? I imagine you've been to an English mass.

The President. No, never been to a Latin mass.

Q. The other question was, we never had a chance to—you talked about a lot about what struck you from this ceremony. We never got a chance to talk to you about, by contrast, how you were struck by the wake, if you will, when you went through

the other night. How do the two ceremonies—you know, different kinds of emotions in the two?

The President. I felt—I mean, obviously, we were surrounded by a crowd at the wake, but I felt—when I was kneeling there, I felt—I'm trying to think of the right word—"alone" isn't the right word, because I was aware of people, but felt much more in touch with a spirit. I really did. I was very much—felt at peace there and was prayerful. And at the other ceremony, it was probably just because of all the sights and sounds and majesty and colors that, you know, I felt more like a spectator than a participant, but more of a spectator.

Q. You knew him personally, I mean, to kneel there and see his body after you've met with him so many times and had—I mean, that must have been quite powerful and——

The President. My relationship with Pope John Paul II was a very good relationship. He was such a gentle man, and at the end of his life he made his points to me with his eyes. The last visit, as you know, he was pretty physically—he was struggling, and yet his eyes twinkled, just real clear. Much of the communications was done by paperwork, which——

Q. Did he speak English?

The President. Some, but it was hard to really understand him because he was struggling. That's why it's really interesting for people to note that there was a lot of testimony—and in my remarks, I tried to witness that as well—that his struggle at the end of his life and the dignity with which he struggled was a clear example of Christ's influence in his life.

I was honored to see that firsthand. He's one of the great vigorous leaders—mountain climber, educator, instructor—who then had to struggle using the very tools that enabled him to be a vigorous teacher, outdoorsman, freedom fighter, and yet, nevertheless, he still could communicate clearly through eyes which were, you know, crystal clear. And I remember the Castel Gandolfo, when Laura and I went to visit him. And he took us out on the balcony. The Castel overlooks this fantastic lake; it's a spectacular lake. And he was much more conversant then. I think it might have been my first trip?

Q. It was 2001.

The President. Yes. Right before or after Genoa, the G–8 in Genoa. And he had a sparkle; he really wanted to show us this beautiful setting. I would define Pope John Paul II as a clear thinker who was like a rock. And tides of moral relativism kind of washed around him, but he stood strong as a rock. And that's why millions—one of the reasons why millions came to admire and love him.

I was asked by some of the leadership of the Church, was I surprised at the turnout? I said, "Not at all, because millions from all religions, millions of Catholics and millions of others admired his strength and his purpose and his moral clarity."

Q. How did the Pope struggle with his health at the end of his life and his example throughout his life strengthen your own faith?

The President. Well, you know, it is as—clear example of Christ's influence in a person's life that he maintained such a kind of hopeful, optimistic, clear point of view amidst struggles—in his case, physical struggles. And that's—a lot of Christians gain great strength and confidence from seeing His Holiness in the last stages of life.

Q. Do you think that will help you in the months and years ahead, in your own life?

The President. Well, I think all of us get touched in different ways if you're on a faith journey—we're all affected differently. But yes, I think my relationship with—and Pope John Paul II's example will serve—will be a moment in my life that will strengthen my faith and my belief—not just me, more significantly, millions of people whose life he touched. I think we

might have witnessed—I don't know—perhaps the largest funeral in the history of mankind. I'm not sure if that's true or not; somebody said that might be true.

But there's a reason why the largest crowd ever to come and pay homage to a human happened, and it's because of the man's character, his views, his positions, his leadership capacity, his ability to relate to all people, his deep compassion, his love of peace. There's a reason why. Again, I repeat, I was honored to be one of many there, and I know you all were as well.

Besides the pomp and the majesty and the colors, there was a spirit that was an integral part of the ceremony. For me, the spirit was also at the wake, but more personal at the wake. That was a personal moment.

President's Faith

Q. If there was ever a moment where you ever had any doubts in your own faith, what out of the past public things would strengthen your resolve and firm up your relationship with your God?

The President. I think a walk in faith constantly confronts doubt, as faith becomes more mature. And you constantly confront, you know, questions. My faith is strong. The Bible talks about, you've got to constantly stay in touch with the Word of God in order to help you on the walk. But the Lord works in mysterious ways, and during all our life's journeys, we're enabled to see the Lord at work if our eyes are open and our hearts are open. And today—you can analyze, and you can look at the coffin being held, with the sun shining on it, anyway you want. I happen to feel it was a special moment that was part of a special ceremony for a special person. And it helped strengthen my faith. And you can have your faith strengthened on—you can have your faith strengthened when you stand up at a faith-based initiative and see someone standing up and testify to what their love has done to help a child or how a child's life has been helped.

My faith gets strengthened when I went to the school the other day and saw the mentoring relationship between a young professional woman and a young kid who's going to go to the SEED School where there's a 95-percent chance that kid is going to go to college. And that helps strengthen my faith. So there's, you know, ways—whether the moment be majestical or whether the moment be a part of just an average—your average moment in life, you can find ways to strengthen your faith. And it's necessary to do so, in my judgment. There is a—it's called a "walk." It's not called a "moment" or a "respite"; it's a "walk." It's a constant maturing of an understanding of a—and today's ceremony, I bet you, for millions of people was a reaffirmation for many and a way to make sure doubts don't seep into your soul.

Pope John Paul II's Successor

Q. Given that, how difficult do you think that it will be finding a successor to fill his shoes?

The President. Look, I'm interested in working with whoever the successor is. And I think that, as Cardinal McCarrick said at the ceremony on Saturday, the day His Holiness died, asked for prayers as he began his journey as one of the electors, as a Cardinal. You know, I'm not going to prejudge the selection process.

Q. Are there any qualities that you're specifically looking for?

The President. I'm not a part of the selection process. I will be a President representing a great nation in dealing with a great institution with which we have diplomatic relations.

Q. It's got to be a tough act to follow, though.

President's Meeting With Italian Prime Minister Silvio Berlusconi

Q. Can you tell us a little bit about your dinner with Prime Minister Berlusconi? Did you talk, particularly, on Iraq? Did the

subject come up, in terms of the intelligence officer who was killed by Americans?

The President. Yes, it did come up, and I expressed my regret once again and assured him that the investigation would be conducted in an aboveboard, transparent way.

Q. Did he say it had been a problem for him in keeping the support that there is in Italy for having troops in Iraq?

The President. No, he reaffirmed his commitment to—which he has given in the past—that we've got to make sure we complete the mission, that we help Iraqis to fight off the few. He knows what I know, that the sooner that gets done, the sooner our troops will be able to come home.

But he's also aware that what we don't want to do is leave prematurely, so that we don't complete our job. And the new Government is just about to be stood up; we look forward to working with the new Government on a lot of things and a lot of fronts. But on the security front, it's to make sure we're in sync with our training schedules, make sure that the chain of command within the military and between the civilian government and the military are strong and capable and will endure.

We've been waiting for this new Government so that we can then strategize. And as soon as the Government is sworn in, the appropriate folks, we can get Zal confirmed quickly, get him out there—of course, we have a good, strong Deputy Chief of Mission there now, upon swearing in—of course, I will be in contact with the Prime Minister. I've already spoke to the President. And General Casey, as well as the Charge—I mean, the Deputy Chief of Mission will be in touch with; Condi will be touch with her counterpart; Secretary Rumsfeld will be in touch with his counterpart as we strategize as to how to move forward.

As we strategize on tactics, on how to implement the strategy—which is clear—which is, we want to train you and make you as efficient as possible as quickly as possible, so that all of us can begin to, you know, as I say, bring our troops home with the honor they've earned.

Q. Italy is going to pull out 3,000 troops, I think, by the fall. Will you be able to absorb that?

The President. I don't know why you say that. I'm not sure why you said what you just said.

Q. I thought that was the number of troops Italy had in Iraq, and I——

The President. They've got 3,300 now, and you said they're going to pull 3,000 out by the fall?

Q. Well, I guess—I don't——

The President. Okay. What I did hear was, is that the Prime Minister wants to work to make sure we complete the mission. But I'm not sure where that came from.

Q. Do you think he'll leave troops in if, in fact, enough haven't been trained?

The President. I think we'll work to complete the training mission of the Iraqis. And it's important we do it and get it right. The amazing thing is, is that if you really think about what's happened in the 10-month period, in spite of some very difficult days and in spite of some tragedy, loss of life, this country is—there is a democracy emerging in this country. And it was really kicked off by the huge vote of over 8 million people.

But no, we'll work with all our coalition, continue to make sure we stay in touch with all our—I had breakfast with Tony Blair this morning, speaking about coalition. You know, I stay in regular contact with the Prime Minister.

Representative Tom DeLay

Q. Can I ask you about Tom DeLay, the statement he made in the wake of the Schiavo case, that judges were out of control and should be held accountable. What did you think about those?

The President. I believe in an independent judiciary. I believe in proper

checks and balances. And we'll continue to put judges on the bench who strictly and faithfully interpret the Constitution.

Foreign and Domestic Priorities/Social Security Reform

Q. Mr. President, I know you're not—you've said—you've often said you're not consumed by polls, but a fair amount has been written lately about your approval ratings, which in some polls are at sort of a low point. Some polls——

The President. Some of them were going up the other day.

Q. Okay. Well, some say that——

The President. You can find them going up, and you can find them going down. [*Laughter*]

Q. In general, what——

The President. You can pretty much find out what you want in polls, is my point. [*Laughter*]

Q. What about the theory that your Presidency is moving from one dominated by foreign policy to one of domestic policy? Ironically, now that some of things are settling down in Iraq and Afghanistan and you're facing tough issues like Social Security, it's a little tougher road to hoe. What are your thoughts?

The President. My thoughts are the President has always got to balance foreign policy and domestic policy, and I will—I did so in the first term. As you might remember, we were confronted with a recession, and I felt we needed to reform schools, and at the same time, I had to fight the war on terror. We're continuing to fight the war on terror. The war on terror goes on, and that's the important thing for me to continue to remind our fellow citizens. By the way, we will work to defeat the enemy by, you know, making sure our troops are well framed up, prepared, ready to move quickly. It's part of the transformation process that the Secretary is leading. And to make sure our intelligence services mesh and work closely together, I'm looking forward to getting John Negroponte confirmed as quickly as possible, so we can deal with this crucial aspect.

But there's also, obviously, a domestic component. There was a domestic component in the first term. There is a domestic component in the second term. I might remind you that at points during the tax debate, I can remember people had declared that tax relief was dead on arrival. Occasionally, somebody would say something that was not very positive about the process, and people would all of a sudden assume that nothing was going to get done. So I'm accustomed to, you know, the process of getting a piece of legislation out. And I'm very optimistic that when it's all said and done, the legislators will understand that the American people recognize there's a problem in Social Security and expect something to be done. And I look forward to being a part of that.

I had laid out a timetable to make it clear to the American people my views about the problems inherent in Social Security. And I think we're making progress. I think slowly but surely, the American people are coming to realize there is a serious problem with Social Security—not if you've retired. And that's the other aspect of making sure we succeed in the Social Security debate, is to make sure seniors know they're going to get their checks. And we've got work to do on that.

Q. Still think it will pass this year?

The President. I certainly hope so, because now is the time to fix the problem. Every year we wait costs billions of dollars more. And I fully realize some people would rather me not be discussing this issue. The job of the President is to set an agenda that deals with problems. And sometimes—sometimes the legislature doesn't want to deal with the problem.

But I'm going to continue to remind all of us in Government that when we see a problem, we have an obligation to do something about it, no matter what some

may think are the short-term political consequences. I happen to believe that not dealing with the problem will create political consequences when the public realizes how serious the problem is. If you don't deal with the problem or you go home and say, "I'm not dealing with the problem," there will be a political consequence.

I've learned that lesson, as a Governor and President, that the people expect and respect people for setting agenda items and staying focused on achieving a solution to the problem. And I've set an agenda. I set an agenda on energy. We need an energy bill. You know, we've been talking about energy for 4 years. Now, I fully realize an energy bill reflects a longer-term strategy. But we need to—we need to do a lot of things.

Eventually what we're going to have to do is change our habits, change the types of automobiles we drive. I believe we will have a zero-emission coal-fired electricity plant. I saw the—when we went to Cleveland—or Columbus, we saw the technology involved with that. But Congress needs to get me an energy bill. And it seems like to me, with the price of gasoline where it is, that ought to be enough this time to cause people to get moving on the bill. But I'll continue to push it.

We need to get a budget. We passed—I put a pretty good budget, a real good budget. It helps cut the budget in half—the deficit in half over a 5-year period of time. Now they need to get their differences worked out and get it to my desk. I'll be a part of that process as well.

And then, eventually, we're going to have this tax relief commission come forward. In other words, I have an obligation to set agenda items. And when I set one, I will continue to work it and remind people that we have a duty to deal with these problems.

I like the debate, by the way, as an aside. I'm enjoying this. I'm enjoying——

Q. Even if a lot of——

The President. ——because I feel I got elected for a reason. My nature is such that, if I came to Washington and saw a problem and didn't deal with it, I wouldn't feel very good about myself. I want it to be said that George W. Bush got elected and did what he said he was going to do, for starters.

You covered my campaigns. Every speech, I talked about Social Security. And I started talking about Social Security in the year 2000, because I recognized a problem coming down the road. And it is a serious problem, particularly if you're a younger American. You have no problem if you're receiving a Social Security check. I do not care—and I'm going to say it like you've heard me say it—it doesn't matter what the propagandists say, people are going to get their checks. You might remember the ads that they ran against me when I was running for office that said, "If George W. gets elected, you're not going to get your check." I'm sure you guys analyzed those and realized that upon election, people got their checks, which might say something about those who ran the ads, right? Well, they're saying it again. They're trying to frighten seniors in order to stop people from coming together.

Now, in 2001, something that has lost a little bit of the focus of those covering this issue, I called together the Moynihan Commission, and I think it might be wise for people who analyze this issue to refresh their memory about the Moynihan Commission, because the Moynihan Commission, made up of equally Democrats and Republicans, came up with some interesting ideas to solve this problem.

Q. How deeply have you had to draw down on that political credit that you felt you had?

The President. I think you get—I think you earn capital, you know? I think——

Q. Are you spending any?

The President. I'm spending a lot—every time I go out. [*Laughter*] But you earn capital by spending capital; that's what the

people expect. We've got trips—I'll be keeping—going out, reminding people that there is a problem.

And one of these days, we'll be able to look back and say, "You know, we were successful convincing the American people there was a problem, and we were successful reminding seniors that you're not going to have your check taken away from you." And then all of a sudden, it becomes a true generational issue, because the grandparents receiving the checks, they're going to start asking, "Now that I'm secure, what are you going to do for my grandkid," because the grandchildren are going to pay an enormous price. You heard those experts sit up there and say that if nothing happens it is likely younger workers are going to have to pay an 18-percent payroll tax.

Now, I was born prior to 1950. But if I were my daughter hearing somebody predict that at some point in time she's paying an 18-percent payroll tax, I'd be suggesting to the old man—me—that I get something done. And that's what we're doing. We're working hard to get it done.

Q. Are you surprised that it's taken this much work, this long——

The President. No.

Q. ——to make progress on this, because, you know——

The President. No. And this is a difficult issue. I've heard Members say—I'm not going to tell you who they are nor what party they're from; I wish you hadn't have brought this up. We hear the talk out of Capitol Hill saying, "Oh, darn, I wish the President had just focused only on the budget or maybe the energy bill." There are a lot of people who would rather not talk about this issue. I understand that. Again, I don't think that's part of my job description, avoid issues because it may be politically difficult. I think my job description is, if you see a problem, talk about it and work with members of both political parties to come up with a solution.

And there's beginning to be some talk on Capitol Hill. But I'm not the least bit surprised, because it is a tough issue for Members, for people who've got, you know, a relatively short-term horizon, 2-year horizon. They're worried about—some of them are worried about elections. Some of them in both the House and the Senate—from both parties, by the way—are thinking longer term. And they're beginning to talk some ideas, and that's constructive.

You know, I remember I was telling President Clinton, I remember watching one of his townhall meetings in Albuquerque, New Mexico, on this very subject. And I thought it was a very impressive presentation. By the way, a lot of the language happens to be pretty close to some of the townhall meetings we've had.

But, no, I'm not surprised people want to avoid this issue.

Travel With Former Presidents Bush and Clinton

Q. What has it been like spending time with the former Presidents for 3 days? That's the longest time——

The President. It's fun. Oh, it's great. You know, we share war stories, you know, a lot of talking, a lot of interesting experiences about different world leaders that we may all have met—or all three of us met, just different experiences that, you know, my dad might have had or President Clinton might have had.

There is a lot of interest, obviously, with former Presidents about, you know, policy, so I had them sit in on our policy briefings this morning with Condi and Steve and the CIA fellow traveling with us—not this morning, yesterday and the day before, on Air Force One. And then yesterday at the Embassy, I wanted to include them in. And you know, we had a—these CIA briefings a lot of time prompt policy discussions, you know, how is this process going. Steve and Condi, now that she's here—both of them were able to bring Dad and President Clinton up to date on our strategy in dealing with a particular issue. It's interesting to

get their points of view about their experiences in particular countries. It was fun. It was really a lot of fun. I was honored they came.

Q. Are you worried about them spending so much time together, those two? [*Laughter*]

The President. Well, you heard my gridiron speech. [*Laughter*]

Listen, thank you all. Hope you enjoyed the experience as much as I did. Absolutely fascinating.

By the way, I think when you discuss religion—on doubt, there is no doubt in my mind there is a living God and no doubt in my mind that the Lord, Christ, was sent by the Almighty. No doubt in my mind about that. When I'm talking about doubts, I'm talking about the doubts that an individual struggles with in his or her life. That's important for you to make sure you get that part of the dialog correct, if you don't mind.

Q. Thank you.

The President. Got it? Everybody got it correct? All right.

Q. Thank you.

Weekend Plans

Q. What are your plans this weekend?

The President. Like Stretch [Richard Keil, Bloomberg News], I'm on the injured reserve list from running, so I'll be mountain biking. I think Cat McKinnon is going come up from Austin. Oh, yes. And I'll be fishing. I'll be finishing my book, "Peter the Great," by Robert K. Massie. Some of you old-timers have probably already read it. I'm just now—have you read it?

Q. Getting ready for the next Russia trip.

The President. Have you read it?

Q. No.

Q. I like when you said "old-timer," and you looked at Steve [Steve Holland, Reuters]. [*Laughter*]

The President. He probably had read it, and I wasn't going to look at Ann [Ann Compton, ABC News], of course, I'm too polite. [*Laughter*]

We'll have briefings. Condi is coming to spend the night; Hadley will be spending a night there. We'll start briefing the Sharon visit Sunday night. And then we'll obviously greet the Prime Minister and then head off to Fort Hood on Tuesday morning and work on that speech probably Monday evening.

Looking forward to getting back down there again. I may do a little cedar work—depends on how sleepy the crew is.

Q. I'll be fishing, just down the Bosque River.

The President. Really?

Q. Yes. I'm sleeping at the Side Oats Ranch tonight.

The President. Tell them hi. Middle Fork has got some water in it.

Q. They do.

The President. The Middle Fork comes down to my place.

Q. Does it come down to you from his, or goes the other way?

The President. I think it comes down, doesn't it? Yes, I think he's west of me, so it's coming down toward Waco. The Middle Fork feeds into the Brazos.

Consider yourself lucky you get to go down to Texas.

Q. I'm delighted.

The President. You're not grousing about it, are you?

Q. Oh, no, no, no. I'm sorry I missed Easter. I was at home for that.

The President. It may be—I hope—I haven't heard, but it may be that the wildflowers, are they out yet? They say there is going to be a spectacular bluebonnet season this year; I mean spectacular.

2005 NCAA Women's Basketball Champions Baylor Lady Bears

Q. Is that in honor of the Baylor women's basketball team?

The President. I called, as a matter of fact, on the airplane flying to Rome, I called the coach, Kim Mulkey-Robertson, a fine person. I had met her before when

she brought—you all saw her, at least if you were on the pool, right? Let's see—anyway, she was with the Midway girls softball team when they came out, the national champs softball team. Her daughter is a player on it, and so she came out with the parents. But she was one excited lady. And she did a heck of a job.

Q. Blew them out.

The President. They've got a great team. I'm looking forward to welcoming them to the White House.

NOTE: The interview began at 8:29 a.m. en route from Rome, Italy, to the Bush Ranch in Crawford, TX. In his remarks, the President referred to Lt. Gen. William E. Ward, USA, Senior U.S. Security Coordinator, Department of State; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; Prime Minister Ibrahim al-Jafari and President Jalal Talabani of the Iraqi Transitional Government; President Jacques Chirac of France and his wife, Bernadette; former President Lech Walesa of Poland; Theodore E. Cardinal McCarrick, Archbishop of Washington; U.S. Ambassador to Afghanistan Zalmay Khalilzad, nominee to be U.S. Ambassador to Iraq; James Jeffrey, Deputy Chief of Mission, U.S. Embassy in Iraq; Gen. George W. Casey, Jr., USA, commanding general, Multi-National Force—Iraq; Prime Minister Tony Blair of the United Kingdom; John D. Negroponte, nominee to be Director of National Intelligence; National Security Adviser Stephen J. Hadley; and Kim Mulkey-Robertson, head coach, Baylor University's women's basketball team. He also referred to the President's Advisory Panel on Federal Tax Reform and the President's Commission to Strengthen Social Security (Moynihan Commission). A tape was not available for verification of the content of this interview.

The President's Radio Address
April 9, 2005

Good morning. This week I have been in Rome to attend the funeral mass of Pope John Paul II. The ceremonies were a powerful and moving reminder of the profound impact this Pope had on our world. And on behalf of America, Laura and I were honored to pay tribute to this good and holy man.

During nearly three decades on the Chair of Saint Peter, this Pope brought the gospel's message of hope and love and freedom to the far corners of the Earth. And over this past week, millions of people across the world returned the Pope's gift with a tremendous outpouring of affection that transcended differences of nationality, language, and religion.

The call to freedom that defined his papacy was forged in the experiences of Pope John Paul's own life. He came to manhood during the Nazi occupation of his beloved Poland, when he eluded the Gestapo to attend an underground seminary. Later, when he was named Poland's youngest bishop, he came face to face with the other great totalitarianism of the 20th century, communism. And soon he taught the communist rulers in Warsaw and Moscow that moral truth had legions of its own and a force greater than their armies and secret police.

That moral conviction gave the man from Krakow a confidence that inspired millions. In 1978, when he looked out at the crowd in front of Saint Peter's as their new Pope, the square rang with his words "Be Not Afraid."

Everywhere he went, the Pope preached that the call of freedom is for every member of the human family because the Author of Life wrote it into our common human nature.

Many in the West underestimated the Pope's influence, but those behind the Iron Curtain knew better, and ultimately even the Berlin Wall could not withstand the gale force of this Polish Pope.

The Pope held a special affection for America. During his many visits to our country, he spoke of our "providential Constitution," the self-evident truths about human dignity enshrined in our Declaration, and the blessings of liberty that followed from them. It is these timeless truths about man, enshrined in our founding, the Pope said, that have led freedom-loving people around the world to look to America with hope and respect. And he challenged America always to live up to its lofty calling. The Pope taught us that the foundation for human freedom is a universal respect for human dignity. On all his travels, John Paul preached that even the least among us bears the image of our Creator, so we must work for a society where the most vulnerable among us have the greatest claim on our protection.

And by his own courageous example in the face of illness and suffering, he showed us the path to a culture of life where the dignity of every human person is respected and human life at all its stages is revered and treasured.

As the Pope grew physically weaker, his spiritual bond with young people grew stronger. They flocked to him in his final moments, gathering outside his window to pray and sing hymns and light candles. With them, we honor this son of Poland who became the Bishop of Rome and a hero for the ages.

Thank you for listening.

NOTE: The address was recorded at 7:45 a.m. on April 8 at the U.S. Ambassador's residence in Rome, Italy, for broadcast at 10:06 a.m. on April 9. The transcript was made available by the Office of the Press Secretary on April 8 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

The President's News Conference With Prime Minister Ariel Sharon of Israel in Crawford, Texas
April 11, 2005

President Bush. Mr. Prime Minister, welcome to my home. Appreciate you coming. I appreciate our meeting. I'm looking forward to serving you some good food for lunch. Most importantly, I'm looking forward to driving you around the ranch; I want you to see my place. I know you love the land. The Prime Minister was telling me he's really a farmer at heart, and I look forward to sharing with my friend what life is like here in central Texas. So, welcome. He invited me to his place one day, in Israel, and it's something that I look forward to doing as well.

The United States and the State of Israel have a deep and lasting friendship based on our shared values and aspirations for a peaceful world. The United States is committed to Israel's security and well-being as a Jewish state, including secure and defensible borders. We're committed to preserving and strengthening Israel's capability to deter its enemies and to defend itself.

Today we discussed ways to expand cooperation of our economies. The Prime

Minister believes that developing Negev and the Galilee regions is vital to ensuring a vibrant economic future for Israel. I support that goal, and we will work together to make his plans a reality.

Prime Minister Sharon is showing strong, visionary leadership by taking difficult steps to improve the lives of people across the Middle East, and I want to thank you for your leadership. I strongly support his courageous initiative to disengage from Gaza and part of the West Bank. The Prime Minister is willing to coordinate the implementation of the disengagement plan with the Palestinians. I urge the Palestinian leadership to accept his offer. By working together, Israelis and Palestinians can lay the groundwork for a peaceful transition.

The Prime Minister and I discussed the important and encouraging changes taking place in the region, including a Palestinian election. We discussed the need for Israel to work with the Palestinian leadership to improve the daily lives of Palestinians, especially their humanitarian situation, so that Israelis and Palestinians can realize a peaceful future together.

I reiterated that the United States supports the establishment of a Palestinian state that is viable, contiguous, sovereign, and independent. The United States will continue working with the international community to help Palestinians develop democratic political institutions, build security institutions dedicated to maintaining law and order and dismantling terrorist organizations, reconstruct civic institutions, and promote a free and prosperous economy.

I remain strongly committed to the vision of two democratic states, Israel and Palestine, living side by side in peace and security. The Prime Minister and I reaffirmed our commitment to that vision and to the roadmap as the only way forward to realize it. The roadmap has been accepted and endorsed by both Israel and the Palestinian Authority, along with virtually the entire international community. The Prime Minister and I share a desire to see the disengagement from Gaza and part of the West Bank serve to reenergize progress along the roadmap.

The United States is working with Palestinians and Israelis to improve security on the ground. We are cooperating with the Palestinians to help them fulfill all their obligations under the roadmap, especially sustained, effective operations to stop terrorism and dismantle terrorist capabilities and infrastructure. Building true security for Israelis and Palestinians demands an immediate, strong, and sustained effort to combat terrorism in all its forms.

I've told the Prime Minister of my concern that Israel not undertake any activity that contravenes roadmap obligations or prejudice final status negotiations. Therefore, Israel should remove unauthorized outposts and meet its roadmap obligations regarding settlements in the West Bank.

As part of a final peace settlement, Israel must have secure and recognized borders. These should emerge from negotiations between the parties in accordance with United Nations Security Council Resolutions 242 and 338. As I said last April, new realities on the ground make it unrealistic to expect that the outcome of final status negotiations will be a full and complete return to the armistice lines of 1949. It is realistic to expect that any final status agreement will be achieved only on the basis of mutually agreed changes that reflect these realities. That's the American view. While the United States will not prejudice the outcome of final status negotiations, those changes on the ground, including existing major Israeli population centers, must be taken into account in any final status negotiations.

I'm grateful to the Prime Minister for his friendship. I'm impressed by his leadership. I want to thank you for coming, sir, and I look forward to working with you in the years ahead.

Prime Minister Sharon. Thank you, Mr. President, for this important meeting and

for your generous hospitality. It was a pleasure to be invited to your home here at the ranch. On behalf of the State of Israel, I wish to thank you, your administration, and the American people for your warm and steadfast friendship. Of course, I would be very glad, Mr. President, to have you as a guest on our farm, not only because we are short of labor. [*Laughter*]

President Bush. You're desperate for labor if you're counting on me. [*Laughter*]

Prime Minister Sharon. The people of Israel dream of a peaceful life for themselves and for all the peoples of the Middle East. We are encouraged by many of the positive changes that we see taking place in our region. We call upon our Palestinian neighbors to choose the path of democracy and law and order, so that they can establish an independent and viable state.

This is an opportunity for us to break from the continuous path of violence and bloodshed, which has been forced upon us, particularly, over the past, say, 4½ years. I told the Palestinian Authority Chairman, Mr. Mahmoud Abbas, that this is a year of great opportunity to start building a better future for our children and grandchildren and that both our peoples must make sure that this opportunity is not missed. But we must act now. The ongoing violence and terror must not prevail. We should make all a commitment not to accept any temporary solutions regarding terror but to act decisively to dismantle terrorist infrastructure and to eliminate terrorism once and for all.

Defeating terror is the only way to build peace. The Israeli people have no intention of missing this opportunity. That is why we are acting quickly and with determination to improve the conditions for the Palestinian population. We have released hundreds of Palestinian prisoners. We are preparing to release more as the security situation allows. We have removed many roadblocks in the West Bank to allow greater mobility for the Palestinians. We have transferred the cities of Jericho and Tulkarm to the security control of the Palestinian Authority. And we will transfer more in the coming period as the security situation allows.

Mr. President, as I said in Aqaba 2 years ago, it is not in our interest to govern over the Palestinians. We would like the Palestinians to govern themselves in their own state, a democratic state with territorial contiguity in Judea and Samaria, living side by side with Israel in peace and security. We seek to rebuild trust and respect the dignity and human rights of all people.

Regarding the unauthorized outposts, I wish to reiterate that Israel is a society governed by the rule of law. As such, I will fulfill my commitment to you, Mr. President, to remove unauthorized outposts. As for settlements, Israel will also meet all its obligations under the roadmap, as I said also in Aqaba. We accept the principle that no unilateral actions by any party can prejudge the outcome of bilateral negotiations between us and the Palestinians.

The position of Israel is that in any final status agreement, the major Israeli population centers in Judea and Samaria will be part of the State of Israel. We seek a genuine and honest dialog with the Palestinians so that we can transform these initial steps into a sound basis for our relations with them in the future.

I wish to thank you, Mr. President, for the support of the disengagement plan which I initiated. The plan is not a political one. It was a unilateral decision driven by a need to reduce terror as much as possible and grant Israeli citizens maximum security. The process of this disengagement will strengthen Israel, improve the quality of life for Israeli citizens, reduce the friction between us and the Palestinians, and can pave the way towards the implementation of the roadmap.

In light of the changes in the Palestinian Authority, what began as a unilateral initiative does not have to remain so. I call upon the Palestinians to work together with us

and to coordinate the implementation of the disengagement plan.

I also want to thank you, Mr. President, for your intention to support Israel's effort to develop the Negev and the Galilee. It is important for Israel's national interest, economic strength, and social development.

I look forward to the beginning of work by our teams. I have stated in the past and I will say today, the roadmap based on your June 2002 speech, adopted by my Government and approved by the Palestinians and the majority of the international community, will be the only way forward to realizing your vision. Only full implementation of the roadmap can lead toward security and true peace.

I wish to thank you again, Mr. President, for your hospitality and for your friendship in support of the State of Israel. Thank you, Mr. President.

President Bush. Thank you, Prime Minister.

We'll take two questions a side, starting with Mr. Raum, Thomas Raum [Associated Press].

Israeli-U.S. Cooperation

Q. Thank you, Mr. President. Mr. President, given the continuing settlement activity on the West Bank, are you satisfied that Israel will do enough, once they pull out of Gaza, to meet the terms of the roadmap and put it back on track?

And Mr. Prime Minister, did you get the support you were looking for today, or do you sometimes hear contradictory signals from the administration?

President Bush. If he listens to what I say, he won't hear anything contradictory. I've been very clear about, Israel has an obligation under the roadmap. That's no expansion of settlements. I look forward to continuing to work and dialog with Israel on this subject. We've got—this is an ongoing process. This is a process that's going to take a lot of work to get a democracy stood up on Israel's border, and we look forward to working with Israel.

The thing that I want people to understand is that the Prime Minister of Israel has made a commitment toward the vision of two states living side by side in peace.

And I appreciate that commitment, Mr. Prime Minister, and we look forward to continuing to work with you on it.

Prime Minister Sharon. Thank you.

Q. Mr. Prime Minister, did you get the support you were looking for today, or do you sometimes hear contradictory messages coming from the White House?

Prime Minister Sharon. No, I think it was a very good meeting, beside the fact it was, as usual, a very friendly meeting. And I think that we discussed many issues that we agreed upon and no doubt that we will continue to work together, as we are doing in recent years.

President Bush. Do you want to call on somebody from the Israeli press, Ariel?

Q. Thank you to you, Mr. President.

President Bush. You're welcome.

West Bank Settlements and the Roadmap

Q. Thank you. Regarding your quid pro quo letter to Prime Minister Sharon and the statement you just stated now, do you see Ariel and Ma'aleh Adumim as part of the major population centers, and I want to emphasize, as they are now, as they exist now, without any extensions——

President Bush. No, I——

Q. ——or do you see them as an obstacle to the contiguity of a future Palestinian state?

And for Prime Minister Sharon, please——

[*At this point, the reporter continued in Hebrew, and no translation was provided.*]

Thank you.

President Bush. I don't get the second part of the question.

Interpreter. I wanted—she wanted to ask—she wanted to ask——

Prime Minister Sharon. Mr. President, I will answer the second part. [*Laughter*]

President Bush. Okay. [*Laughter*]

Q. The second part was for the Prime Minister.

President Bush. No, I got that part. [*Laughter*] I just didn't get the last part of the second part.

Interpreter. She wanted to know if you have any objections to the continuity of the——

President Bush. Yes, the expansion. I got that part. You asked the same question to both of us, then. No? Okay.

Interpreter. Can she repeat——

President Bush. Never mind, that's enough. Go ahead and answer it.

Prime Minister Sharon. Thank you. I would like, first, to answer about construction in the major blocs. It is the Israeli position that the major Israeli population centers will remain in Israel's hands under any future final status agreement with all related consequences.

Now, about the other question that you had, you asked what would be the day after—that was your question. So the roadmap is the only plan which sets the political agenda between us and the Palestinians. Only after the Palestinians fulfill their obligations, primarily a real fight against terrorism and the dismantling of its infrastructure, can we proceed toward negotiations based on the roadmap.

I hope that this phase will arrive soon. Implementation of the disengagement plan has the potential of paving the way toward the roadmap.

[*Prime Minister Sharon continued his remarks in Hebrew, some reporters responded in Hebrew, and no translation was provided.*]

Now I have to do something for all the Israelis at home.

President Bush. Okay.

[*Prime Minister Sharon continued his remarks in Hebrew, and the translation follows.*]

Interpreter. The position of the Israeli is that the construction of the blocs of settlements will remain with Israel and in all agreement with what will happen the day after the disengagement. The roadmap is the only plan between us and the Palestinians.

After the—we will continue to fight the terror, and after the continued commitment to fight terror, we will continue with the negotiations—only after the Palestinians agree to stop the terror. I hope that this stage will happen and that we will only move to the roadmap after this intervention by the Palestinians against terror.

President Bush. Israel has obligations under the roadmap. The roadmap clearly says no expansion of settlements. And we'll continue to work with Israel on their obligations, and the Palestinians have got obligations. And it seems like an important role for the United States is to remind people of the obligations and to work with people—continue to work with people so that we can achieve the peace.

And we have a chance to achieve peace. The Prime Minister made a very courageous decision to withdraw from Gaza, and now I would hope, as I said in my statement, the Palestinians accept his proposal to coordinate the withdrawal so that we can begin the stages necessary for a viable democracy to emerge, one that will be peaceful, one that will listen to the aspirations of the people. I'm convinced most Palestinians want to live in peace, and they want hope, and they want a chance to make a living, and they want to send their children to schools in a peaceful way. And now we have an opportunity to try to achieve that vision.

But there is a roadmap. There is a process, and we've all agreed to it. And part of that process, no expansion of settlements.

Adam [Adam Entous, Reuters].

Israeli-Palestinian Relations

Q. Thank you. Prime Minister, considering recent Palestinian mortar fire at Jewish settlements and what Israel sees as a

lack of cooperation on Gaza, is Israel considering taking military action against militants if President Abbas doesn't act?

And Mr. President, do you see a lack of progress by Abbas? Do you expect more before you meet with him at the White House?

President Bush. Want me to go first, or do you want to go first?

Prime Minister Sharon. Please.

President Bush. Want me to go first? All right.

This is a very complicated, difficult part of the world. And I believe President Abbas wants there to be a state that will live at peace with Israel. Remember, we met with him in Aqaba, Jordan, and he had a very strong statement. I tend to take people for their word, Adam, just like I trust the Prime Minister in his word. He's a man of his word.

And the Prime Minister of—President Abbas is, I'm told, in touch with the Prime Minister. That's positive. I appreciate the fact that they've taken some action on security. We want to continue to work with them on consolidating security forces. That's why we sent a general to the region to work with the Palestinians. I hope that he, the President, responds to the Prime Minister's offer to coordinate the withdrawal from Gaza. To me, that's where the attention of the world ought to be, on Gaza.

This is the opportunity for the world to help the Palestinians stand up a peaceful society and a hopeful society. The Prime Minister has said, "I'm withdrawing." He said that, "I want to coordinate the withdrawal with the Palestinians." But he's going to withdraw, coordination or no coordination. And I believe it's incumbent upon the world which is desirous of peace to then step up and say to the Palestinians, "We want to help you." I think President Abbas wants that help. I know he needs that help. He needs the help to not only help coordinate security forces and train security forces but the help necessary to put the infrastructure in place so a peaceful democracy can grow, and that there can be an economy which provides hope for the Palestinian people.

And so this is a opportunity that I intend to focus my Government's attention on, and we will work with our friends and allies around the world to keep their attention focused on succeeding in this—in helping Gaza become peaceful and self-governing, part of, eventually, a Palestinian state.

Prime Minister Sharon. Thank you. The Palestinian Chairman, Abu Mazen, started by taking some steps against terror. By now, those steps—and we can see, as you mentioned in your questions, that terror still continue. And therefore, I believe that in order to move forward, in order to be able later to move to the roadmap, the Palestinians must take more steps, because it should be completely quiet. The situation, in order to move forward, must be full cessation of terror, hostilities, and incitement.

So some initial steps were taken. More steps should be taken. And I hope that Abu Mazen wants peace, and the only thing I expect now that he will take the right steps in order to bring the situation that might enable us to move forward to the next step.

President Bush. Final Israeli question, please, or final question from the Israeli side.

Moving the Peace Process Forward/ Implementing the Disengagement Plan

Q. Mr. President, do you support the Prime Minister position as he stated now that after the disengagement, there will be no—any other political steps until a final and complete dismantling of terror organization, and only then we can proceed on the political track?

And Mr. Prime Minister, do you really fear a civil war in Israel over the disengagement, as you stated in NBC interview? What are you going to do to prevent it?

And are you disappointed with the President's declaration regarding the expansion of settlements?

President Bush. First part of the question again? Sorry.

Q. The question was, do you support Israeli position that there will be no—any political steps after disengagement, until the complete dismantling of Palestinian organization——

President Bush. I got it. I got it. Yes, thanks. Sorry.

I think what is necessary to achieve the vision of two states living side by side in peace is for there to be progress. Look, there's a lack of confidence in the region. I can understand that. There's been a lot of deaths; a lot of innocent people have lost their lives. And there's just not a lot of confidence in either side.

And I think we have a chance to build confidence. The Prime Minister is taking a bold step and a courageous step, and basically he's saying that, you know, until he sees more progress, he doesn't have confidence. And I suspect if we were to have a frank discussion about it, the Palestinians would say, "Well, we don't have confidence in Israel."

So what's needed is confidence. And I'm convinced the place to earn—to gain that confidence is to succeed in the Gaza. And so we're kind of prejudging what is going to happen based upon a rather pessimistic point of view. I'm an optimist. I believe that it is possible to work to set up a self-governing entity in the Gaza. And I believe a self-governing entity is one that is going to be peaceful, because most people want there to be peace. And when that happens, then all of a sudden I think we'll have a different frame of mind.

I suspect that the tone of your question—I'm not being critical, but I just suspect that if there is success in the Gaza, in other words, if there's a state that's emerging, the Prime Minister will have a different attitude about whether or not it makes sense to continue the process. And I suspect that people will say, you know, it is possible for democracy to take hold.

And so there's skepticism now about the process, because as I said earlier, it's a complicated part of the world with a lot of history. And so I want to focus the world's attention on getting it right in the Gaza, and then all of a sudden people will start to say, "Gosh, well, that makes sense." The Palestinians will see it's a hopeful—there's a hopeful way forward. The Palestinian moms will say, "Well, here's an opportunity for my child to grow up in a peaceful world." And then I think the dialog will shift. But in the meantime, there is a process to go forward, and we're now ready to help the Palestinians seize the moment that this Prime Minister has provided in the Gaza. So that's where you'll see our attention focused.

Prime Minister Sharon. You asked—I think one of your two questions were, do I see a civil war in Israel? No, I said that—and I repeat it again—the recent atmosphere of a civil war, but I'm fully convinced that I'll make every effort to avoid that, and I'm sure that we will be able to implement the disengagement plan, with all its difficulties, quietly and peacefully. So what I really mentioned, it was the atmosphere. But I hope it will be quiet, and we will manage to do it.

You had another question.

Q. I asked if, are you disappointed with the President's position regarding expansion of settlements, specifically about the Jewish population center in Ma'aleh Adumim——

Prime Minister Sharon. No, I'm not disappointed. We think—both of us are committed to the roadmap, and the roadmap says—and elaborates on this issue.

It's about Ma'aleh Adumim. Ma'aleh Adumim is one of the blocs of Jewish population, and our position is that they should be part of Israel. I think I mentioned it before; it will be part of Israel. And of course, we are very much interested that it will be contiguity between Ma'aleh

Adumim and Jerusalem, but I think altogether, we are too early because everything happens there really altogether might take many years, and I believe that we will have enough opportunities to come and continue our talks with the United States.

President Bush. Thank you, sir. Thank you all for coming.

NOTE: The President's news conference began at 11:41 a.m. at the Bush Ranch. In his remarks, he referred to President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; and Lt. Gen. William E. Ward, USA, Senior U.S. Security Coordinator, Department of State.

Remarks to Military Personnel at Fort Hood, Texas
April 12, 2005

The President. Thank you all for the warm welcome. It wasn't all that long ago that I brought my family over to go to church Easter Sunday here at Fort Hood. I've been looking forward to coming back and giving you a proper Army greeting: Hooah!

Audience members. Hooah!

The President. It's an honor to be with the courageous men and women of the "Phantom Corps."

The soldiers and families of Fort Hood have contributed mightily to our efforts in the war on terror. Many of you have recently returned from Iraq.

Audience members. Hooah!

The President. Welcome home, and thank you for a job well done.

Audience members. Hooah!

The President. Others are preparing to head out this fall——

Audience members. Hooah!

The President. ——some for a second tour of duty.

Audience members. Hooah!

The President. Whether you're coming or going, you are making an enormous difference for the security of our Nation and for the peace of the world. I want to thank you for defending your fellow citizens. I want to thank you for extending liberty to millions. And I want to thank you for making America proud.

Audience members. Hooah!

The President. I especially want to thank the military families who are here today. I want to thank you for your sacrifices in the war on terror. It isn't easy being the one left behind when a loved one goes to war. You have a wonderful community here at Fort Hood. I thank you for the support you have given to each other. By loving and supporting a soldier, you are also serving our Nation. Americans are grateful for your sacrifice and your service, and so is your Commander in Chief.

Audience members. Hooah!

The President. I want to thank Lieutenant General Tom Metz and his wife, Pam. I want to thank Command Sergeant Major Joe Gainey and his lovely wife. I want to thank all the officers and soldiers of this fantastic base.

Audience members. Hooah!

The President. I appreciate our fine Governor from the State of Texas, Governor Rick Perry, for joining us today.

I want to thank Congressman John Carter and Congressman Chet Edwards for joining us today. I'm looking forward to giving them a ride back to Washington on Air Force One. [*Laughter*] I suspect they're looking forward to the ride back. [*Laughter*]

I want to thank Major General Pete Chiarelli for being with us today, and his wife, Beth; Major General J.D. Thurman and his wife, Dee; Command Sergeant

Major Tom McMurtrie; and all the soldiers, airmen, military families, veterans, friends of Fort Hood, and the III Corps.

This weekend we marked the 2-year anniversary of the liberation of Baghdad.

Audience members. Hooah!

The President. Coalition forces crossed more than 350 miles of desert to get there, pushing through dust storms and death squads. They reached the Iraqi capital in 21 days, and that achievement will be studied for generations as the fastest armored advance in military history.

Audience members. Hooah!

The President. The coalition assault was rapid, and it wasn't easy. The enemy hid in schools and hospitals. They used civilians as human shields. Yet our troops persevered. We protected civilian lives while destroying the Republican Guard's Medina Division, pushing through the Karbala Gap, capturing Saddam International Airport, and, on April 9th, we liberated the Iraqi capital.

Audience members. Hooah!

The President. For millions of Iraqis and Americans, it is a day they will never forget. The toppling of Saddam Hussein's statue in Baghdad will be recorded alongside the fall of the Berlin Wall as one of the great moments in the history of liberty. And 8 months later, soldiers of the Ivy Division——

Audience members. Hooah!

The President. ——brought the real Saddam Hussein to justice. When Ironhorse soldiers left for Iraq, Saddam Hussein was a brutal dictator sitting in a palace, and by the time you came home, he was sitting in a prison cell.

When it came time to drive the terrorists and insurgents from Fallujah, soldiers of the 1st Cavalry Division spearheaded the assault. The "First Team" was "First in Fallujah," and when the dust settled, what you found there reminds us why we are at war: Blood-stained torture chambers used by terrorists to execute hostages; you found videos of beheadings and brutal terrorist attacks; you found over 600 improvised explosive devices, including an ice cream truck that had been loaded with bombmaking materials for a terrorist attack.

The men and women of the Phantom Corps know why we are in Iraq. As one First Team soldier, Lieutenant Mike Erwin, put it, "If we can start to change the most powerful country in the Middle East, the others will follow, and Americans 20 years down the road won't have to deal with a day like September the 11th, 2001."

Audience members. Hooah!

The President. The terrorists have made Iraq a central front in the war on terror. Because of your service, because of your sacrifice, we are defeating them there where they live, so we do not have to face them where we live.

Audience members. Hooah!

The President. Because of you, the people of Iraq no longer live in fear of being executed and left in mass graves. Because of you, freedom is taking root in Iraq. Our success in Iraq will make America safer for us and for future generations.

In my liberation message to the Iraqi people, I made them a solemn promise: "The Government of Iraq and the future of your country will soon belong to you." I went on to say, "We will help you build a peaceful and representative government that protects the rights of all citizens. And then our military forces will leave."

From the beginning, our goal in Iraq has been to promote Iraqi independence by helping the Iraqi people establish a free country that can sustain itself, rule itself, and defend itself. And in the last 2 years, Iraqis have made enormous progress toward that goal. Iraqis have laid the foundations of a free society, with hundreds of independent newspapers and dozens of political parties and associations and schools that teach Iraqi children how to read and write, instead of the propaganda of Saddam Hussein. Iraqis have laid the foundation of a free economy, with a new currency and

independent central bank, new laws to encourage foreign investment, and thousands of small businesses established since liberation.

The troops from Fort Hood have done their part. In Baghdad, soldiers of the 1st Cavalry Division launched Operation Adam Smith, and the new generation of Iraqi entrepreneurs you helped nurture will create jobs and opportunities for millions of their fellow citizens. Iraqis have laid the foundation for a society built on the rule of law. Today, courts are functioning across Iraq, and hundreds of independent Iraqi judges have been trained in Bahrain and Jordan and Czech Republic and Britain and Italy.

An Iraqi special tribunal has been established that will try senior leadership, including Saddam Hussein.

Audience members. Hooah!

The President. He will get the trial that he did not afford his fellow citizens when he was in power. Slowly but surely, the land that gave civilization the first written code of law is now restoring the rule of law and setting the example for people across the Middle East.

Iraqis have laid a solid foundation for democratic self-government. The world watched in awe as the Iraqi people defied the car bombers and assassins to cast their votes in the country's first free and democratic election in decades. It took courage, the kind of courage displayed by a 29-year-old Iraqi policeman named Abdul Amir. On election day, Amir noticed a suspicious man walking toward the line of voters at a Baghdad polling station. With complete disregard for his own safety, he threw his arms around the man and dragged him into a nearby intersection, where the man detonated the belt of explosives that was wrapped around his body. Amir took the brunt of the blast, giving his own life to save scores of innocent civilians. He is a hero of a free Iraq, and the world honors his valor and his sacrifice.

Audience members. Hooah!

The President. Because of brave Iraqis like Abdul Amir, today, the free nation of Iraq has elected a Transitional Assembly, a President, and two Deputy Presidents, leaders who answer to the people instead of the other way around.

I've spoken with the new leaders of Iraq, President Talabani as well as Speaker—Assembly Speaker al-Hasani. I congratulated them on their achievement. I told them I look forward to working with the new Government that will soon be established. I assured them that the United States will continue to stand with the Iraqi people as they take control of their destiny and assume the blessings of self-government.

There's a lot of hard work ahead. The Iraqi people face brutal and determined enemies. But Iraqis are also determined, and they have the will to defeat the insurgency. The soldiers and police of a free Iraq learned on election day they can face down the insurgents, and they learned they can prevail. The Iraqi people now have confidence that the soldiers and police of a free Iraq have the courage and resolve to defend them. The Iraqi security forces are fighting bravely for the future of their country, and in the last 6 months alone, more than 800 have given their lives in the struggle.

The soldiers of Fort Hood have seen their courage in action. Sergeant First Class Troy Hawkins recently put it, "The Iraqis will stand and fight. I've seen guys with grenade fragments in them, bleeding, pulling people off the street and getting kids out of the way. Then they'll fight the enemy. They're determined to make this work." And the United States is determined to help the Iraqis succeed.

As Iraq's new Government assumes increasing responsibility for the stability of their country, security operations are entering a new phase. Iraq's security forces are becoming more self-reliant and taking on greater responsibilities. And that means that America and its coalition partners are increasingly playing more of a supporting

role. Today, more than 150,000 Iraqi security forces have been trained and equipped, and for the first time, the Iraqi army, police, and other security forces now outnumber U.S. forces in Iraq.

Like free people everywhere, Iraqis want to be defended and led by their own countrymen. We will help them achieve this objective so Iraqis can secure their own Nation. And then our troops will come home with the honor they have earned.

Audience members. Hooah!

The President. The Iraqi people know the sacrifices you are making. They're grateful to you. They are grateful to your families. One Iraqi army colonel put it this way: "These U.S. soldiers leave their wives and kids to come here and give us freedom. We have to thank them for doing that for us." You are making possible the peace of Iraq, and you are making possible the security of free nations. Yours is noble work. It's important work, and I thank you for assuming your duty.

As the Iraqi democracy succeeds, that success is sending a message from Beirut to Tehran that freedom can be the future of every nation. The establishment of a free Iraq at the heart of the Middle East will be a crushing defeat to the forces of tyranny and terror and a watershed event in the global democratic revolution.

In the last 2 years, you have accomplished much, yet your work isn't over. Freedom still faces dangerous adversaries. Terrorists still want to attack our people, but they're losing. These terrorists are losing the struggle because they're under constant pressure from our Armed Forces, and they will remain under constant pressure from our Armed Forces.

Audience members. Hooah!

The President. And they are losing the struggle because they are on the wrong side of history. Across the broader Middle East, the tide of freedom is surging. The people of Afghanistan have embraced free government after suffering under one of the most backward tyrannies on Earth. The people of the Palestinian Territories cast their ballots against violence and corruption of the past. The people of Lebanon are rising up to demand their freedom and independence. Saudi Arabia has held its first municipal elections in decades. Egypt is taking its first steps on the path to democratic reform. A critical mass of events is taking that region in a hopeful new direction. And as freedom spreads in the Middle East and beyond, the American people will be safer and the free world more secure.

You have fought the battles in the war on terror, and you have served the cause of freedom. And you can be proud of all that you have achieved.

This time of brave achievement is also a time of sacrifice. Many of our soldiers have returned from war with grave wounds that they will carry with them the rest of their lives. And America will fulfill its duty by providing them the best medical care possible. Still others have given their lives in this struggle—your friends, your comrades. We honor their memory. We lift them up in prayer. Their sacrifice will always be remembered by a grateful nation.

Audience members. Hooah!

The President. We can live as free people because men and women like you have stepped forward and have volunteered to serve.

I came here today to thank you in person for your courageous choice of service. You're making America proud. You're making America free. And you're making the world more peaceful. I want to thank you for all you've done for our great Nation. May God bless you and your families. And may God continue to bless this great land of liberty, the United States of America.

Thank you all.

NOTE: The President spoke at 10:14 a.m. at Cooper Field. In his remarks, he referred to Lt. Gen. Thomas F. Metz, USA, commanding general, III Corps and Fort Hood, and his wife, Pam; CSM William J. "Joe" Gainey, USA, command sergeant major, III

Corps and Fort Hood, and his wife, Cindy; Maj. Gen. Peter Chiarelli, USA, commanding general, 1st Cavalry Division; Maj. Gen. James D. Thurman, USA, commanding general, 4th Infantry Division, and his wife, Dee; CSM Thomas O. McMurtrie, USA, command sergeant major, U.S. Army Garrison, Fort Hood; Gov. Rick Perry of Texas; President Jalal Talabani of the Iraqi Transitional Government; and Hajim al-Hasani, Speaker, Iraqi Transitional National Assembly. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks Honoring the 2005 Super Bowl Champion New England Patriots
April 13, 2005

The President. Thank you all. Please be seated. Welcome. Well, back again. [*Laughter*] I was thinking that Coach Belichick was so comfortable coming to the Rose Garden that he might just wear one of those designer sweatshirts. [*Laughter*] I'm a little disappointed. [*Laughter*] I'm glad to see you own a tie, though.

I want to welcome——

Head Coach Bill Belichick. Is this a roast? [*Laughter*]

The President. Yes. I want to welcome the Krafts back. Congratulations once again. Obviously, this club has got fine ownership, and you know how to run a team. Welcome back.

And obviously, you know how to coach. I'm pretty impressed with the way you handle yourself. I think some of us involved in the political arena could spend a little time getting tutelage on how to handle the mike like you do. [*Laughter*]

I want to welcome members of my Cabinet who are here. Thank you for coming. Alphonso, I thought, like, you're a Cowboy fan or something. What are you doing here, you know? [*Laughter*]

Secretary of Housing and Urban Development Alphonso Jackson. [*Inaudible*]

The President. Oh, thank you, sir.

The Secretary of Agriculture is with us.

We appreciate so very much Senator Kennedy and Senator Kerry. Welcome. Marty Meehan—I'm glad you all are here. Thanks for coming. I'm surprised more of the delegation hasn't come, but, you know, Red Sox one week, Patriots the next—it's getting to be old hat here. But glad you all are here.

Tedy Bruschi, it's good to see you. I congratulate you on showing such incredible courage on the field and off the field. There's a lot of people that were praying for you, I know. And I'm glad you're feeling good, and I'm glad you're back. You look great.

I want to welcome all the staff, the coaches who are here. Last time I didn't pay much attention to the managers and the people passing out the equipment, so I'd like to pay special tribute to the people who do all the work in the locker room and probably never get recognized except by the players, who love you. So welcome to the White House, and welcome to the Rose Garden.

I want to say a special welcome to all the Patriots fans from around the DC area. I see some from New Hampshire who have come as well, and Boston. And you're welcome. Glad you're here. You're honoring a team that showed a lot of heart.

You know, the commentators would say, well, they're not the flashiest bunch; they're not the fanciest bunch; they just happen to be the best team. They're the team that showed that when you play together, when you serve something greater than yourself, you win.

I'm sorry your fieldgoal kicker is not here. You're probably sorry you didn't have to use him this year to win. But I do wish Adam all the best with the birth of their second child. He has got an excused absence.

One of the things about this club is you set a lot of records. You know, in sports, they always talk about, records are made to be broken. Let me talk about some of the records of the New England Patriots. In back-to-back championship seasons, you've won 34 games. That's a record. You've won nine straight playoff games, which ties a record. The coach has the best playoff record in league history. This is a club that has won 20 games in a row in the home park. If you're going to win 20 games, it's probably good to do it in your home stadium, you know. It tends to make the fans want to come back—doesn't it, Marty?

I appreciate the inspiration you've shown for the region—inspired the Red Sox. I think the Patriots have also inspired the Celtics. But whatever is happening in New England, it's a pretty strong sports record, anchored by the great New England Patriots, champs 3 out of 4 years.

And so, welcome back. We're glad you're here. I want to thank you for what you've done off the field. I did so the last time you were here; I want to do it again. I want to thank you for the importance that you've shown for education and literacy. I appreciate the example that you've set for kids. I want to thank you for working in youth football. I want to thank you for supporting the Boys and Girls Clubs of Massachusetts. There's nothing better than encouraging mentoring to help save a child's life. And as a pro football champion, you have an opportunity to do just that.

I appreciate Larry Izzo. He went to Rice, as I understand it. Is that right? Yes, Rice University in Houston, Texas. Guess what he did? He went overseas to the USO—the Pat Tillman USO in Afghanistan. And I want to thank you for doing that. Is it Izzo or "Eyezo?"

Linebacker Larry Izzo. Izzo.

The President. Yes. Well, if you're from Texas, you say "Eyezo," and if you're from—[*laughter*].

Mr. Izzo. It sounds good to me.

The President. If you're from Massachusetts, it's Izzo. At least I got Rice right. [*Laughter*]

I also want to thank you all for going by Walter Reed and the National Naval Medical Center here in Washington. I think you saw firsthand the definition of courage when you saw those young soldiers who had been wounded that are working hard to overcome their injuries. I can assure you that your visit helped lift their spirits. There's nothing better than a Super Bowl champ encouraging somebody to continue to work hard to recover. And I want to, again, thank you for that. Thank you for your example.

I once again welcome you back. You know, I think I said last time there's a chance you'll be back. I wasn't sure about me. [*Laughter*] I'm confident I'll be back next year—[*laughter*]—and the way you've been playing, there's a good chance you will be too. Congratulations, and welcome.

NOTE: The President spoke at 3:35 p.m. in the Rose Garden at the White House. In his remarks, he referred to Robert Kraft, chairman and owner, Jonathan Kraft, vice chairman, Tedy Bruschi, linebacker, and Adam Vinatieri, kicker, New England Patriots.

Remarks at the American Society of Newspaper Editors Convention and a Question-and-Answer Session
April 14, 2005

The President. Thank you all. Please be seated. Thanks, Rich. I appreciate the chance to come back—more than you know. [*Laughter*] I miss my hometown newspaper. Austin was my hometown newspaper for quite a while. I miss reading it every morning as it was thrown on the Governor's Mansion doorsteps, but not enough to want to stay here for 4 more years. [*Laughter*]

I appreciate your leadership, Rich. Two thoughts came to mind when I first saw Rich. One, he has to work with a guy named Ken Herman. [*Laughter*] Is Herman in the pool today?

Ken Herman. Yes, sir, Mr. President.

The President. Yes, okay. [*Laughter*] Just trying to help you out—[*laughter*]—kind of like you try to help me out, you know what I mean? [*Laughter*]

And second, I know Rich is proud of his son, Rich, Jr., who is in Baghdad. My daughter Barbara—one of our daughters went to Yale, and she brought a fellow over the other day. I said, "What are you doing?" He said, "Well, I was in your daughter's class. I'm in Baghdad, and I'm working with the State Department to help shepherd the press corps." I said, "Oh, who are some of the characters you've run into there?" And he mentioned a guy named John Burns, who I had known when my dad was the liaison officer in China. And believe it or not, he mentioned Oppel. I said, "I know the old man." [*Laughter*]

I know you're proud of him. I appreciate the service he's providing.

And I want to thank Karla Garrett Harshaw as well, from Clark County, Ohio. Happens to be one of my favorites. [*Laughter*]

Just a couple of brief thoughts, and I'd be glad to answer some questions if you have any. [*Laughter*] Here's what Jefferson said. Jefferson said, "Our liberty depends on freedom of the press; that cannot be limited without being lost." He also went on to say, "I've given up newspapers, and I find myself much happier." [*Laughter*]

I haven't given up newspapers. I do find myself much happier than I've been in a long time in Washington. I'm enjoying myself. It's been a fascinating experience to be the President of the country. It's been a remarkable time in Washington. You know, as Rich said, the last time I was here we were talking about the EP–3. It seems like an eternity ago. A lot has happened.

Somebody said, "Well, how do you describe the Presidency?" I said, "It is a decisionmaking job. I make a lot of decisions." At your next editorial board, when you're dealing with a future President, you ought to say, "How do you intend to make decisions? What is the process by which you will make large decisions and small decisions? How do you decide?"

I've got a decision to make today. Do I go with the fastball or a slider? [*Laughter*]

A couple of thoughts about this year and the agenda, and then questions. First, we've got a problem with energy. And it's a problem that didn't happen overnight. It's a problem that's been brewing for quite a while because the country has yet to implement a strategy that will make us less dependent on foreign sources of energy.

I was at Fort Hood the other day and sitting, having lunch with some soldiers, and the second question that the fellow asked me was, "Why don't you lower gasoline prices?" I said, "I'd like to."

You see, the problem is, the supplies are out of balance with demand when it comes to the major feedstock of gasoline, which is crude oil. We've got to think long term in this country, and Congress needs to pass

the bill that I suggested in 2001 to begin the process of changing how we consume energy in America. We need to be better when it comes to conservation. We need to continue spending money on research and development to find ways to make corn economic—ethanol and biodiesel. We've got to continue exploring ways to make sure we can burn coal in environmentally friendly ways. I know we need to continue to explore for natural gas in our own hemisphere in environmentally friendly ways. But Congress needs to get off the dime. I'm looking forward to working with them.

And so one of the initiatives that I will push—again—is to get an energy bill out. I will tell you, with $55 oil we don't need incentives to oil and gas companies to explore. There are plenty of incentives. What we need is to put a strategy in place that will help this country over time become less dependent. It's really important. It's an important part of our economic security, and it's an important part of our national security.

I'm also talking about retirement security. I'm talking about it a lot. Frankly, I'm not a really popular fellow on Capitol Hill for talking about it. I recognize that. It's one of these issues that I think people would rather avoid than take on. There's—you've written about this, I'm confident—the old third rail of American politics: If you touch it, you know, you don't do so well politically.

I think Rich would attest to this, that when I was Governor, I felt like it was important to take on big issues, and I tried to convince the legislature to work with me on the school funding issue before it became adjudged by the courts to be unconstitutional or property taxes got so high that it created a real problem. Well, I tried and worked hard. Now, they're dealing with it, I think.

I feel the same way about Social Security. We've got a serious problem. I don't care what your party is or what your political philosophy is; you can't ignore the math. And the math really is this: Baby boomers like me are ready to retire in 4 years. I'll be 62 in 4 years. That's actually a fairly convenient date for me. [*Laughter*] And we're living longer. And people ran for office saying, "Vote for me. I promise you more benefits." So you've got a lot of people like me getting ready to retire, living longer, and we've been promised greater benefits than the previous generation. And yet there are fewer people to pay the bill. And so what ends up happening is, is that a pay-as-you-go system goes in the red in a relatively short period of time, and every year it's in the red, it gets worse and worse and worse.

And the fundamental question confronting Congress is, are they willing to take on this issue now, before it's too late—before, by waiting, the cost becomes more and more severe? And so I'm going to spend a lot of time on Social Security. I enjoy it. I enjoy taking on the issue. I guess, it's the mother in me. I appreciate calling people to action. I like doing it. And the more resistance I find for people to protect the status quo, the more determined I am to continue building the case that there is a problem and assuring seniors that they're going to get their check.

And we've just started the process. It may seem like a long time to you, but realistically, we've really just started. If you ask questions about it, I'd be glad to expand on what I mean by that. But there's—I've got a lot more time to tell people there is a problem. See, I think the American people are beginning to realize it, but they've got to understand the significance of the problem. And then seniors have got to realize they're fine when it comes to the check. Because once I make that case, then the issue becomes a generational issue. Grandparents are going to start to ask the question, "What are you going to do about my grandkids?"

Now, in my State of the Union Address, I did lay out options. And I think I have a responsibility to lay out options. I bet

I'm the first President ever to talk about a variety of options that ought to be on the table, that people ought to come forth and discuss. And so I'm looking forward to working with Congress. I'm looking forward to continue to remind people we got a problem. I'm absolutely convinced that, when it's all said and done, inaction will create a political problem for people. The third rail of politics will be failure to solve the problem. And so just to give you a heads up, I'll be coming to your communities, continuing to talk about this issue a lot. I'm going to Cleveland tomorrow to talk about the issue.

Overseas, there's a lot going on. And it's—I believe our actions have helped make the world a more peaceful place. Rich was right; obviously, times changed dramatically on September the 11th, 2001, and we're still at war with terrorists. There are still people there who'd like to create harm to America. The only way to deal with them, in my opinion, is to keep them on the run, is to keep enormous pressure—pressure on their finances, pressure on their safe havens, pressure on their—on people who are willing to accommodate their philosophy. And we're doing that—and not only doing it alone, we're doing it in a lot of other countries. We've got a lot of folks who understand the stakes in dealing with Al Qaida.

We've got a lot of people around the world who are more than willing to share intelligence and to help follow leads and to bring people to justice. Today I was with the Indian Foreign Minister, and we were talking about the neighborhood. And I reminded him that I was appreciative of the efforts of President Musharraf and his efforts in fighting Al Qaida. I thought it was in the best interests of the United States and India that President Musharraf be tough when it comes to running down people in caves that are trying to do harm to free people. After all, India is a free country. It made sense to encourage a leader like President Musharraf.

We're getting help in Saudi Arabia. The terrorists made a tactical mistake, in my judgment, by attacking the Kingdom of Saudi Arabia. They now understand the stakes, and so we've got an ally in chasing down Al Qaida. And we'll continue to do so. You've just got to know we're going to be relentless and unyielding, and we'll do everything we can to bring people to justice.

The long term to solve the problem, however, of a radical ideology is to defeat it with freedom, is to encourage societies to become open, free, transparent societies based upon rule of law, with respect for minority rights, honoring each human being. Oh, I know, some people say that's not possible in certain societies. I don't believe that. I just don't believe it. I believe everybody longs to be free. I believe deep in everybody's soul is the desire to live in a free world. The people of Afghanistan proved that theory right, as poor people were subjugated to incredible brutalism—brutality from the Taliban, and yet when give a chance to vote, millions voted.

The same in Iraq—over 8 million people voted in spite of the fact that they were threatened, cajoled, and some killed as they tried to exercise something that they believe is their right, God-given right to do, which is to express yourself freely in a society.

Lebanon—there's a movement in Lebanon now to be free, to have a democracy that works. And we're working with France and other countries to enable Lebanon's democracy to flourish by insisting that, first and foremost, Syria get completely out of the country. I don't mean halfway out. I don't mean 80 percent out. I mean 100 percent out, not only Syrian military but the secret police and secret service and intelligence officers that are embedded in the Syrian—in the Lebanese Government.

I met with Prime Minister Sharon this weekend. I am hopeful that there will be a Palestinian state living side by side with Israel in peace. I believe in order for that

to work, however, we need to work—the free world needs to work with the Palestinians to develop the institutions necessary for a democracy to survive. And that's going to take work.

I felt Prime Minister Sharon's decision to withdraw from the Gaza was bold and necessary. He came to Washington on—I think it was April the 14th last year—and informed me that he was going to do this. And I thought it was a really interesting decision. I admire strong, courageous decisionmaking. It created—his decision created an opportunity now for America, the EU, Russia, the United Nations to work with the Abbas Government to set up a democratic state in the Gaza.

And today I announced that Jim Wolfensohn, the former head of the World Bank, is going to be the director of our operation with Abbas, to help him build a Government, to help them try to pull out of this ash heap of what used to exist, a Government that will function and meet the will of the people. And I think it's possible. I wouldn't be expending U.S. capital if I didn't. And I know it's necessary if you want to see peace in that part of the world.

So a lot is going on worldwide, based upon the fundamental premise that freedom is a necessary part of achieving a peaceful world. And so I'm looking forward to the next 4 years, working on this agenda, working with friends and allies to continue the spread of freedom, defying the cynics and the critics who believe the free only belong to a certain type of religion or a certain type of person. And my hope, of course, is, when it's all said and done, to look back and say this world is a more peaceful place after 8 years of my administration.

So, Rich, thanks for having me. Looking forward to taking a few questions. You've got the floor.

Richard A. Oppel, Sr. President Bush has graciously agreed to take questions as time allows. ASNE members are invited to come to the microphones in the audience. Please tell us your name and newspaper. And I'm going to take the opportunity, Mr. President, to ask the first question.

I thought at one time that you had a hard time with the political crowd here in DC, the voters and the entrenched. And I see that—I picked up a baseball cap for this new team you've got here, and I see they named it after you; it's got a big "W" on it. Are you going to the game tonight?

The President. I thought you were going to ask about FOIA. [*Laughter*]

Mr. Oppel. That's to come.

The President. Go ahead. Do you want to ask the first question?

Mr. Oppel. No, there will be questions out here.

The President. Okay, I'll ask them myself, then. [*Laughter*]

Yes, sir.

Social Security Reform

Q. Mr. President, Clarence Pennington, retired Ohio editor. We remember—I remember you saying that you're not going to give up all your ideas for a while, until you find out what the opposition is saying about Social Security. When I heard that, I thought it was a good idea. Well, it's been a while. Is there anybody talking yet, and what are they saying?

The President. Yes. I don't remember putting it that way. I thought what I said was I welcome all ideas on the table and that if you're a Democrat or a Republican, please bring your ideas forward, and I'll do my best to make sure you don't get ridiculed, punished—whatever word you want to use—for being bold enough to come up and discuss ways to solve the problem.

But it's interesting, you said we've been here for a while. We have been talking about it for a while, but it's going to take a while more to continue making clear to people in Congress that we've got a problem, see. They're not going to respond until the people say clearly, "There's a problem,

and what are you going to do to fix it?" And it takes a while because, frankly, this is a heavy lift for some in Congress. You know, why deal with an issue if you don't have to? And so I'm going to spend a lot more time talking about the problem, making it clear to people.

There's a dialog going on quietly up there. People are slowly but surely beginning to share ideas. And we spend a lot of time on Capitol Hill—"we," my staff, in particular—working with Members, trying to listen to their ideas, trying to begin to fashion a long-term, permanent solution to the Social Security issue.

Q. Just between us, what is being said? Any of them saying anything?

The President. Are they saying anything?

Q. Well, yes, about—nobody from the opposition has had a new idea for you?

The President. Oh, they may have, but they're not willing to put it on the table yet, publicly. It's going to take a while. This is a process. I, unfortunately, don't get to write the legislation. I propose; Congress disposes. But yes, we've had some good ideas. Remember, a lot of the interesting ideas that I quoted in the State of the Union were ideas from people like Bill Clinton or Senator Daniel Patrick Moynihan. These are citizens who have stepped forward and have talked about ways to permanently fix Social Security.

And I keep emphasizing "permanently" because, in 1983, President Reagan and Tip O'Neill came together and said, "Let's fix—put a 75-year fix out there for Social Security," and here we are, 22 years later, worrying about permanently fixing it again. And so now is the time to do it forever.

But I'm pleased with the progress. I'm also understanding that we're—this is just the beginning stages of what is a difficult debate for some. Remember, some in Congress would rather not discuss this issue at all. They would rather say, "Well, please don't jeopardize—put me in jeopardy. Please don't cause me to have to take a tough vote."

And I've just got a different perspective. I think now is the time to fix the problem. The longer you wait, every year you wait, it costs a future generation $600 billion. And so I'll continue talking about the issue a lot. But it's kind of a—beginning a little movement up there. People are talking. They just haven't made their cards all public yet.

Okay, yes.

Border Security/Immigration Reform

Q. Mr. President, George Condon with Copley News Service. A month ago you stood in Crawford with the leaders of Mexico and Canada and talked about the importance of balancing security but maintaining the free flow of trade and people across the borders. But this month, your Department of Homeland Security has said that they're going to be requiring passports for tourists coming across the border. As somebody who is familiar with the long lines at today's border, do you—what's your reaction to the protests from the business and tourism community? And do you support the requirement of passports?

The President. Yes, I'm aware of the issue, obviously. When I first read that in the newspaper, about the need to have passports, for particularly today's crossings that take place—about a million, for example, in the State of Texas—I said, "What's going on here?" I thought there was a better way to do—to expedite legal flow of traffic and people. Evidently this has been mandated in law. And so I've talked to Condi and the Homeland Security people about making—seeing if there's some flexibility in the law that will allow for, for example, finger imaging to serve as the so-called passport for daily traffic. But you're right, it's going to—if people have to have a passport, it's going to disrupt honest flow of traffic. I think there's some flexibility in the law, and that's what we're checking out right now.

On the larger scale, look, we've got a lot to do to enforce the border. For those

of you in Arizona, now know that Arizona has got more illegal immigrants coming across their border than, I guess, any other State right now. My view is Congress needs to work with us to pass immigration reform. One, we've got to enforce the border better. We've increased border spending by 34 percent since, I think, 2001. But it doesn't make any sense to me to have a system that kind of forces an industry to develop, an industry that smuggles people, an industry that forges documents, an industry that really doesn't represent the best of America.

It seems like to me what we ought to do is be open about it and say, "Look, if you're a willing worker and a willing employee, and you can't find an American, here's a legal way to work. Here's a document which enables you to be here legally so that if you decide to go home for a little bit, you can." And there will be time limit on the document, a time limit on the right to be here to work. To me it's a more humane way than a system which encourages employers who are looking for workers to break the law, to accept—unknowingly accept illegal documentation, for example. And so I—and this is a tough issue. Look, I understand. The danger with the immigration issue is that it can be—it can lead to nativism and encourage behavior which is really not how Americans should view the world.

The long-term solution, by the way, to—for example, immigration issues with Mexico, is for Mexico to grow a middle class. That's why I'm such a big believer in NAFTA. It's in our interest that wealth be spread out through the hemisphere—the best way to spread wealth is through trade—so that Mexico can grow and become a vibrant place, so people are more likely to be able to find a job closer to home. But the reality is if you make 50 cents in the interior of Mexico and $5 in Texas, you're going to do $5 if you can make it. And so now is the time for legal—reforming of the immigration system.

I don't believe in blanket amnesty. I think it would be mistake. I think that wouldn't—all that would do is create another incentive for 8 million people, whatever the number is, to come. And so I think if somebody wants to be a citizen, they ought to get in line like everybody else who has gotten in line to become a citizen of the United States. And so my vision is one that's work-related, and hopefully we can get Congress to move on it. There's some bipartisan movement on this issue as well. But I'm under no illusions; this is a tough issue for people, and it's a hard one. But the system is not working right now.

And when you talk about border security, George, it's—it would be better if our Border Patrol agents were chasing down drugs and guns than trying to chase down people. And by that I mean it would be a much more efficient use of taxpayers' money if the system were legal, the worker system was legal so that the Border Patrol could focus on other issues. In other words, if it were legal, people wouldn't have to get in the back of an 18-wheeler. If it were legal to come here and work, you wouldn't have to walk miles across the hot desert. And it would make it easier to protect our border with an immigration system that worked on legalizing work.

Yes, sir.

Government Video News Releases

Q. Thank you, Mr. President, Bryan Monroe from Knight Ridder. We're all aware of the past issues with Armstrong Williams and the video news releases and using Government funds to promote, through media and journalism, positions that you feel you need to get out. Is that consistent with your values and your First Amendment beliefs? And do you think that's deceptive to the American people?

The President. Yes, it's deceptive to the American people if it's not disclosed. And I, first of all, in reviewing this issue, have been told this has gone on for quite a

while. It makes—that doesn't excuse the behavior here, but nevertheless it has been, in that it's a legal—it's legal for—to use these video news clips. But it's incumbent upon people who use them to say, "This news clip was produced by the Federal Government."

Armstrong Williams—it was wrong what happened there in the Education Department. But no, I think there needs to be full disclosure about the sourcing of the video news clip in order to make sure that people don't think their taxpayers' money is being used to—in wrong fashion.

Thank you.

Death Penalty/Theresa Marie Schiavo Case

Q. Mr. President, Wendy Zomparelli of the Roanoke Times in Virginia. In the aftermath of the terribly distressing national debate over the case of Terri Schiavo, you spoke of the need to establish a culture of life, and yet there's one way in which the United States has long been out of step with much of the rest of the world in terms of one's appreciation of life, and that is in the use of the death penalty.

The President. Right.

Q. Can you please talk about a little bit about your view of the death penalty and how that fits into your vision of a culture of life?

The President. Sure. Thanks. I have been supportive of the death penalty both as Governor and President. And the difference between the case of Terri Schiavo and the case of a convicted killer is the difference between guilt and innocence. And I happen to believe that the death penalty, when properly applied, saves lives of others. And so I'm comfortable with my beliefs that there's no contradiction between the two.

Representative Tom DeLay

Q. Mr. President, Bill Sternberg with USA Today.

The President. Oh, hi there. Got a great seat, didn't you? [*Laughter*]

Q. Yes. Your fellow Republican from Texas, Tom DeLay, has blamed the ethical controversy around him largely on bias by the liberal news media. Do you agree with him on that——

The President. Of course not. [*Laughter*] No, go ahead. Sorry to interrupt you.

Q. ——and do you think Mr. DeLay has become a liability to your party or your agenda?

The President. No, I appreciate that. Look, as I've read his comments today, he wants the Ethics Committee to review his case, and he's willing to step up and talk to the Ethics Committee about it. And secondly, I'm looking forward to working with Tom. He's been a very effective leader. We've gotten a lot done in the Legislature, and I'm convinced we'll get more done in the Legislature. And I'm looking forward to working with him.

Yes, sir.

Freedom of Information Act

Q. Mr. President, Tim Franklin from the Baltimore Sun. I know you'd be disappointed if you didn't get an FOI question——

The President. I thought you were going to ask about the, like the Oriole-National thing, you know—[*laughter*]—the broadcast agreement or whatever. [*Laughter*]

Q. In processing FOI requests, should Government officials presume that information should be given to citizens? Or should the burden fall on citizens to convince Government to give them access to information?

The President. That's an interesting way to put the question. Look, the presumption ought to be that citizens ought to know as much as possible about the Government decisionmaking. Rich and I talked about this backstage a little bit, of course. He's constantly lobbying me. [*Laughter*]

I know there is a tension now between making the decision of that which is—that which can be exposed without jeopardizing the war on terror, and I understand there's

a suspicion that we—we're too security-conscience [conscious].* Let me refer you to the WMD report that the Silberman-Robb Commission—as an example, however, of how I hope that we're becoming balanced between that which the public ought to know and that which, if we were to expose, would jeopardize our capacity to do our job, which is to defend America.

Ninety percent of the report was declassified. I think that might have surprised the press corps. I don't know; I don't want to speak for you all. But I think people following this issue were surprised that so much was declassified. And yet the Silberman-Robb Commission made it really clear that had the other 10 percent been declassified, it would have created—it would have jeopardized our capacity to protect the country. It would have exposed sources and uses.

Rich talked about, you know, I didn't realize we spent that much money on protecting it, but we also spend a lot of money on analyzing FOIA, because somebody told me there's 3.5 million FOIA requests a year, which is a lot. I can't tell you the percentage which pass or not pass, but there is an active interest in people reading documents. And I would hope that those who expose documents are wise about the difference between that which truly would jeopardize national security and that which should be read.

Look, John Cornyn is a good friend, and we look forward to analyzing and working with legislation that will make—it would hope—put a free press' mind at ease that you're not being denied information you shouldn't [should]* see. I will tell you, though, I am worried about things getting in the press that put people's lives at risk. And I know you—I'm sure you feel the same way, and everybody in the room would feel that same way. And it's that judgment about what would put somebody's life at risk and what doesn't, is where there's tension.

And to answer your question, I believe in open government. I've always believed in open government. Rich is right. You know, I don't e-mail, however. And there's a reason. I don't want you reading my personal stuff. There has got to be a certain sense of privacy. You know, you're entitled to how I make decisions, and you're entitled to ask questions, which I answer. I don't think you're entitled to be able to read my mail between my daughters and me.

And so I've made an easy decision there. I just don't do it, which is sad, really, when you think about it. Everything is investigated in Washington, and that's just the nature of the way here right now. And so we're losing a lot of history, not just with me but with other Presidents as well. And so there's a balance through all this. And I hope it's said—when it's all said and done, that we were fair to the press corps and the American people.

I said it's hard—in my Inaugural Address, I did talk about, we've got to be consistent. I talked to Vladimir Putin about a free press. We've got to make sure our own press is free. I know that. I talked to the people in Iraq about a free press and transparency and openness, and I'm mindful we can't talk one way and do another. But we're still at war, and that's important for people to realize.

Right after September the 11th, I was fully aware that the farther we got away from September the 11th, the more likely it would be that people would forget the stakes. I wish I could report that all is well. It's not. It's just not. It's going to take a while. What is better is that there's fewer Al Qaida, and we got them off balance, and we're continuing to press. And so long as people can be endangered by leaks, we just got to be real careful.

Anyway, I don't know if—I probably talked your—talked you to death. That's call filibustering. [*Laughter*]

* White House correction.

Thank you.

CIA Employee Identity Disclosure Investigation

Q. Mr. President, Mike Lloyd, the Grand Rapids Press, Grand Rapids, Michigan, kind of a followup on the same topic. When you talk about risks of exposing sources of information that could have an impact on life, do you think that Judith Miller and Matt Cooper are wrong for not disclosing their sources?

The President. Why don't we let the courts decide that. You think I'm going there? You're crazy. [*Laughter*]

Q. Then I have a followup——

The President. Right answer, Herman? Now, if it were Herman, I would say, lock him up. [*Laughter*]

I'm not going to talk about that, seriously——

Q. I have a followup that might help you, then. Do you have two tickets to tonight's game? [*Laughter*]

The President. Yes. Depends on what you write next time. [*Laughter*]

No, look, this is all—we're all under the microscope on this issue. This is an issue that there is a—Mr. Fitzgerald is looking into all aspects of this issue, and so it's—on the advice of counsel, I'm not talking. [*Laughter*]

Freedom of Information Act

Q. Good afternoon, Mr. President. I'm Craig Klugman from the Fort Wayne Journal Gazette. I, too, have a follow-up question on FOIA. The longest pending FOIA request is over two decades old. My own newspaper has received answers to FOI requests long after the reporter has left the newspaper. Is there anything your office can or should do to speed up responses to legitimate FOI requests?

The President. First of all, I was happy to hear that the request was more than two decades. I thought he was going to say, like, 4 years and 2 months old. [*Laughter*] I have no idea how to answer your question on this particular request. And I will be glad to get Rich to send it over. I really don't. I'm not dodging. I don't know what the request is. I don't know who you made the request to. I don't know why it's taken 20 years.

Q. It's not that particular request; it is just the whole nature that some FOI requests take years and years to get an answer.

The President. Was this a request to the White House or was it to——

Q. It was an FBI request. But I'm talking in general terms: Is there anything your office can or should do?

The President. I think that FOIA requests ought to be dealt with as expeditiously as possible. But again, I just don't know the facts on this one. And I would hope that, at least the FOIA requests to the White House, our staff deals with them quickly or as quickly as humanly possible.

Yes, ma'am.

Q. Hi, Margaret Sullivan with the Buffalo News, Mr. President. Following up just a bit on the question of classified information, which we discussed, would you support a requirement that agencies submit an impact statement, sort of like an environmental impact statement, before they make a determination that large categories of information should be kept secret? Given that the U.S. Information Security Oversights Office, which monitors classification, has expressed concern about the sharp increase in unwarranted classifications of Government information.

The President. Yes. I'll look at the idea. Again, I don't know enough about it. But I think the philosophical answer I gave was that the people deserve to know so long as it doesn't jeopardize their security. Put it in that context. But if there is a—again, this is—is this a part of the Cornyn law, I presume?

Mr. Oppel. The Cornyn law would put a limit of a maximum 20 days on how long an agency has to respond.

The President. I just need to—I, frankly, haven't looked at the particulars of the Cornyn idea. Be glad to look at it. Thanks. Sorry about that.

Decency Standards for Satellite and Cable Television

Q. Mr. President, Scott Anderson with Tribune Interactive in Chicago. There are those in Congress and elsewhere who would propose that the FCC be expanded or legislation be passed that would provide for decency standards on satellite television and cable television. Your thoughts on that, sir?

The President. I didn't quite get it all, the FCC, the Michael Powell suggestion on decency standards?

Q. Yes, there are those who would like to place on satellite and cable some decency standards.

The President. Yes, I'm for that. I think there ought to be a standard. On the other hand, I fully understand that the final edit or the final decision is a parent turning off the TV. I mean, the ultimate responsibility in a consumer-driven economy is for people to say, "I'm not going to watch it," and turn the knob off. That's how best to make decisions and how best to send influences. But I don't mind standards being set out for people to adjudge the content of a show, to help parents make right decisions. Government ought to help parents, not hinder parents in sending good messages to their children.

But look, I mean, we're a free society. The marketplace makes decisions. If you don't like something, don't watch it. And presumably, advertising dollars will wither, and the show will go off the air. But I have no problems with standards being set to help parents make good decisions.

Yes, sir.

Federal Emergency Management Agency/ Florida Disasters

Q. Randy Hammer from Pensacola, Florida. The four hurricanes that hit the State and, since then, the counties that were hardest hit have had problems getting information as well as help from FEMA. At the congressional hearings last month, there was a sense that FEMA was more effective and responsive when it wasn't under the umbrella of Homeland Security. Would you support removing FEMA from under the umbrella of Homeland Security?

The President. No. I would support getting FEMA to do its job no matter what the umbrella it's under. I was, one, impressed by the FEMA response. Of course, sometimes I only get the Cook's tour. But I——

Q. Well, it was pretty good when you showed up. [*Laughter*]

The President. That's what I was afraid of. [*Laughter*]

Q. It was after you left that——

The President. No, I think FEMA ought to be under the umbrella. I just think it ought to do its job as good as possible. Look, if FEMA—I don't think that is—I don't think the umbrella under which FEMA exists will make the decisions as to whether or not people respond to a national catastrophe like that.

I do get feedback from your Governor—[*laughter*]—who felt like things were going all right. The Congressmen from that part of the world—the last time I was down there, I asked them if they thought the response was—the initial response was good, and the question is, is the followup response?

Q. Right, it's the followup response.

The President. Yes, the SBA loans, the help. And he didn't complain—or they didn't complain. But I'll check back into it. No, I think FEMA ought to stay in the Homeland Security Department, though.

A couple more, and then I've got to go warm up. [*Laughter*]

Independence of the Judicial Branch

Q. Mr. President, Chris Peck, editor of the Commercial Appeal in Memphis. This

morning we heard Floyd Abrams, a First Amendment attorney, who said that greatest challenge and the greatest threat to the First Amendment now is the effort that Congress is making to put pressure on judges, to try to say that judges should not act independently. And part of this grew out of the Terri Schiavo case, but there are other pressures growing. What is your thought about the role Congress should play in trying to influence the decisions of judges?

The President. I think there are three distinct branches of Government, and they ought to act independently and serve as checks and balances. I'm strongly for an independent judiciary. My focus with Congress on judges is that they're not approving enough of my judges in the United States Senate. And I think my judges ought to get an up-or-down vote, period. I think they ought to get a hearing, and I think they ought to get to the floor of the Senate, and I think they ought to deserve an up-or-down vote. But I'm strongly for an independent judiciary.

China-U.S. Relations

Q. Mr. President, Rod Sandeen from the Freedom Forum. You talked that there's a lot going on overseas and mentioned some countries. I'd like to ask you about China. What is our Government's policy toward China?

The President. Well, that is a complex question because the relationship is complex. On trade, we're friends with China, for example, for floating our currency, so we can have free and fair trade with China. With human rights, we expect China to be a society that welcomes all religions. When it comes to foreign policy, we expect China to cooperate in the war on terror, and we expect there to be peace with Taiwan.

I mean, there is a lot to our relationship with China. My view of China is, is that it's a great nation that's growing like mad. That's one of the reasons why Americans are seeing over $2 gasoline, is because demand for energy in China is huge, and supply around the world hasn't kept up with the increase in demand. That's why you're seeing crude go up, and crude is the feed stock for gasoline.

But we've got a very complex and a good relationship with China right now, and I intend to keep it that way. But I'm constantly reminding China that a great society is one that welcomes and honors human rights, for example; welcomes the Catholic Church in its midst; doesn't fear religious movements. As a matter of fact, a vibrant society is one that welcomes religious movements. But with China—we've got good relations with China.

Listen, I've got to hop. I want to thank you for your time, appreciate your interests. God bless.

NOTE: The President spoke at 1:22 p.m. at the J.W. Marriott Hotel. In his remarks, he referred to Richard A. Oppel, Sr., past president, American Society of Newspaper Editors, who introduced the President; Ken Herman, reporter, Austin American-Statesman; Karla Garrett Harshaw, president, American Society of Newspaper Editors; Minister of External Affairs K. Natwar Singh of India; President Pervez Musharraf of Pakistan; Prime Minister Ariel Sharon of Israel; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; Secretary of State Condoleezza Rice; columnist Armstrong Williams; President Vladimir Putin of Russia; Patrick J. Fitzgerald, U.S. Attorney for the Northern District of Illinois and Department of Justice CIA leak investigation Special Prosecutor; and Gov. Jeb Bush of Florida. He also referred to the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction (Silberman-Robb Commission).

Statement on House of Representatives Passage of Bankruptcy Reform Legislation
April 14, 2005

I commend the House for acting in bipartisan fashion to curb abuses of the bankruptcy system. These commonsense reforms will make the system stronger and better so that more Americans—especially lower income Americans—have greater access to credit. I look forward to signing the bill into law.

Remarks in a Discussion on Strengthening Social Security in Kirtland, Ohio
April 15, 2005

The President. Thank you all for coming. Please be seated. I appreciate you coming, Steve, thanks. Glad to give you a ride home on Air Force One. [*Laughter*] I really do like working with Steve. He's a thoughtful fellow who cares about issues, and this is—what we're here to talk about is an important issue, which is Social Security.

Before I do, I want to thank the community college for hosting us. I'm a big believer in community colleges. Community colleges have got the capacity to change curriculum to meet the needs of a local workforce, for example. And one of the real challenges of the 21st century is to make sure people have got the skills necessary to fill the jobs of the 21st century. And a fabulous place to find those skills is our community colleges.

So thanks for what you do. Thanks for being a host. Thanks for letting us come and have a—what I think you'll find to be a really interesting educational experience about a vital issue confronting the country.

I want to thank Lieutenant Governor Bruce Johnson for joining us today. I appreciate State Treasurer Jennette Bradley for joining us today.

I want to thank the mayor, Ed Podojil, who is here. I appreciate you, Mr. Mayor. And I want to thank Dave Anderson. The last time I saw Dave, I said to Dave, I said, "Dave, fill the potholes." [*Laughter*] That's just a piece of advice. [*Laughter*] And so I saw him in line coming in. He said, "I'm just here to report for duty, Mr. President. I did fill the potholes." [*Laughter*] You'd get reelected if you want to run again. [*Laughter*]

Anyway, I want to thank Anita Isom, who's with us. Anita is a young lady I met when we landed there at the airport in Cleveland. She is a volunteer, and she has helped and been awarded because of her reading-related activities that benefit others. The reason I like to mention a soul like Anita is that, no matter what your age, no matter where you live, you can help this country by becoming a volunteer, by helping somebody who hurts, by teaching somebody to read, or feed somebody who's hungry, or put your arm around somebody who needs love.

I like to remind people that the greatest strength of this country is the heart and souls of our fellow citizens and the great compassion of our people. And so if you're interested in serving America, do so by becoming a volunteer in the community in which you live and help change this country one heart and one soul at a time.

So, Anita, thanks for coming. Thanks for meeting me at the airport.

Let me talk about Social Security. I could be talking about a lot of things, peace

and freedom. The world is changing right now because societies are becoming more free. And as societies become more free, more democratic, the world will become more peaceful.

Today I went to a little restaurant, and the owner happens to be Lebanese American. And he said, "Thank you, Mr. President, for staying focused on a country like Lebanon and insisting that Lebanon be allowed to have free elections." And I assured him, like I'll assure you, that when America speaks, we mean what we say. When we say "free elections" to the Syrians, we mean free elections. Get out of Lebanon, and let this good country have a free election as scheduled. When I say, "Get out of Lebanon," I mean out of Lebanon with all your troops and all your security services and all the people trying to influence that Government. It is in the world's interest that Lebanon be allowed to have free elections because a free society will help spread the peace.

We're dealing with a lot of issues, and in Washington, DC, I've submitted a tough budget and expect the Congress to be wise about how they spend your money. I also know that Congress needs to stop debating and get an energy bill to my desk now, during this session.

Congress also needs to take serious this issue about Social Security. People say, "Why did you bring it up?" I said, "I brought it up because I see a serious problem that needs to be fixed now, before it's too late. I also brought it up because the job of a President is to confront problems and not pass them on." The easy route in politics is to say, "Well, we got us a problem. We'll just let the next person handle it." The easy route for a Member of the United States Senate is to say, "There is a problem, but it perhaps can wait. We'll just let another United States Senate fix it or send it to the House." That's not the way I think. I think I got elected because people expect me, when I see a problem, to bring it to the fore and to work with people to get it solved.

And here's the problem in Social Security. There's a lot of people like me getting ready to retire. [*Laughter*] As a matter of fact, I'm retiring in 4 years—at least I hit retirement age in 4 years, which is convenient—[*laughter*]—in my case. I turn 62 in 2008. And I'm not the only one turning 62 in 2008. As a matter of fact, there's a lot of us. We're called the baby boomer generation. And not only is my generation fixing to retire, we are living longer than previous generations. And not only are we living longer than previous generations, we have been promised greater benefits than the previous generation. In other words, people running for office say, "Put me in office, and I'll increase your Social Security benefits for you." And guess what? They did.

And so a lot of us are getting ready to retire, and the problem comes because there's not a lot of people paying into the system. See, in 1950, there were 16 workers for every beneficiary. So you can imagine the load was somewhat lighter than today, when there's now 3.3 workers for every beneficiary. And soon there's going to be two workers for every beneficiary. You've got fewer workers paying into a system that is going to require more and more out-flow, because a lot of us are retiring, living longer, and been promised greater benefits. And the math just doesn't work.

It's a pay-as-you-go system, by the way. That means, when the money goes in, it comes right out. It's not a trust. I mean, some people in America, I suspect, think that the Federal Government all these years has been collecting your payroll taxes and we're holding it for you, and then when you get ready to retire, we give it back to you. That's not the way it works. The way it works is, is that we collect your payroll taxes and we pay the current retirees their benefits, and then with leftover money, we spend it on other things. That's

the way the system works. It's pay-as-you-go.

And in 2017, the pay-as-you-go system is going to go negative. In other words, more money goes out than comes in through payroll taxes. And every year thereafter, if we don't do something, it gets worse and worse and worse and worse. To give you an example of how bad it gets, in 2027 the Federal Government is going to have to come up with $200 billion more a year just to make good on the payments, and it gets worse the next year and the next year and the next year.

I also want to assure those of you who are on Social Security, you will get your check. See, nothing changes for somebody born prior to 1950. And that's very important for people in Ohio to hear, because I fully understand a lot of people count on that Social Security check. That Social Security check means a lot to a lot of people in America, and they're counting on it. That's why, for example, in some political campaigns people try to say to seniors, "You know, if so-and-so gets into office, he's going to take your check away from you." That's the old scare tactics. Sometimes during this debate it seems like people are resorting to those scare tactics. They're telling seniors, "Really what they're talking about is taking your check away." Let me just tell you point-blank, if you're receiving a Social Security check in Ohio, this Government of ours will continue to honor you, honor that commitment.

This issue isn't about you. This issue is about your grandchildren. The issue confronting the Social Security system is an issue for young workers, young people coming up. One time I was having a discussion, and the person said, "I saw a survey." I said, "Oh, yeah, what did it say?" "It said young workers like me are more likely to see—think we're more likely to see a UFO than get a Social Security check." [*Laughter*] That may be pretty close to accurate.

I'll tell you this, if this Federal Government doesn't act, your bill, your payroll taxes are going to have to go up a lot in order to pay the promises made to me, or the Government is going to have to slash the benefits, or the Government is going to have to make dramatic cuts in other programs. And so I see a problem. I think the math is clear. And so now is the time to get something done.

And so I stood up in front of the United States at my State of the Union Address and said to the Congress, "Here's the problem. And I'm going to put some ideas on the table," ideas that I didn't necessarily think of; ideas that President Clinton had thought of or Senator Moynihan, a great Member of the United States Senate from New York who, unfortunately, has passed away, or former Congressman Tim Penny—good ideas about different ways to permanently fix the problem. And that's what Congress must do. It must permanently fix the problem.

In 1983, one of my predecessors, President Ronald Reagan, got together with Speaker O'Neill from Massachusetts, and they said, "We got a problem. Let's fix it." See, the math wasn't working then, either. It was called a 75-year fix. They signed a bill—I love the spirit, by the way, of Republicans and Democrats setting aside their political parties and focusing on getting something done for the American people. And the President did that; the Speaker did that for the 75-year fix. The only problem is, 22 years later we're still talking about it. And so now is the time to bring people together from both parties to have a permanent fix, and all ideas are on the table. And I'm looking forward to discussing any good idea with a Democrat or a Republican.

I imagine there's some people fearful in Washington, DC, about maybe laying out an interesting idea and that one of the political parties will get all over them for laying it out. If I had anything to do with it, it would be political amnesty for people bringing good ideas forward. Now is not the time to play political "gotcha" with a

member of any political party for stepping up and bringing forth ideas to do what they think is right to help solve this problem permanently for generations of Americans to come.

Now, one of the ideas that I think is important for the Congress to consider is to allow a younger worker to be able to set aside some of her or his own money in a personal savings account, as a part of a Social Security solution. See, I think Government ought to say, "We'll give you an opportunity, if you want to—your choice." We're not saying, "You must set aside money." We're saying, "You ought to have the opportunity to. It ought to be voluntary to set aside some money so that you can earn a better rate of return on your money." People ought to be given a chance to invest in a conservative mix of bonds and stocks.

In other words, it's part of a permanent solution in order to make sure the younger worker gets a better deal. The younger worker ought to be allowed to set aside some of the payroll taxes. And this is a concept, by the way, that has been tried before. I haven't invented the idea. As a matter of fact, the Federal—Congress before has said we ought to allow people working in the United States Congress and Congressmen and United States Senators to do just what I described. The Federal employee Thrift Savings Plan allows Members of Congress and the United States Senate to take some of their money and set it aside in a personal savings account. Why? Because they know they'll get a better rate of return on their money than if the Federal Government held it. And it seems fair to me that if setting aside money in a personal savings account is good enough for a Member of the United States Congress, it's good enough for workers all across America.

Okay, so I went to school with a guy who made all A's. It's probably recognized by now I didn't do all that well in college at times—[*laughter*]—and I brought him with me. He's an expert. He's my National Economic Adviser. But I want you to notice, you students out there, who's the President and who's the adviser. [*Laughter*]

I've got a fabulous staff. People need to judge the President based upon who he listens to. And as you know in foreign policy matters, I listen to some really capable people, Condi—Condoleezza Rice, the Secretary of State; Secretary Rumsfeld. And on the domestic side, I've got great people working with me. One of them is Al Hubbard, a business guy out of Indiana, started businesses, ran businesses, entrepreneurial. He's agreed to come and serve as the National Economic Adviser to the President. He briefs me on a regular basis. And one of the big issues that I've got him working on is Social Security.

I want to thank you for coming, Al. And if you got something to say, now is your opportunity. [*Laughter*] Please don't try to defend yourself because the President always has the last word. [*Laughter*]

Allan B. Hubbard. Yes, sir, I've learned that very quickly. Thanks for giving me this opportunity.

[*At this point, Mr. Hubbard made brief remarks.*]

The President. You're the guy who authored the bill?

Raymond Sines. I had the first bill in 1994.

The President. Really.

Mr. Sines. Introduced it.

The President. If you got any spare time, you might want to come up to Washington and work the issue with me. [*Laughter*]

Mr. Sines. Well, Mr. President, I really like Lake County. [*Laughter*]

[*Mr. Sines, commissioner, Lake County, OH, made further remarks, concluding as follows.*]

Mr. Sines. I have three daughters, and kind of in the same mode as you, we're in a special club when you raise daughters.

The President. Yes. Your hair is about as white as mine. [*Laughter*]

Mr. Sines. Yes, it is, and it's getting whiter—and it's getting whiter.

[*Mr. Sines made further remarks.*]

The President. It must make you feel good to be able to sit here in front of all these TV cameras and say, "I saw a problem. I worked with people from both sides of the aisle to fix it, and it's working." That's the spirit the people in the United States Congress must hear. It's not time to play politics. It's time to fix the problem. It's time to set aside all this business about, my party may look good, or so-and-so may look good, and so-and-so may look bad. We've really got an opportunity, a need to fix it.

And secondly, I am—I just want you to know that like you went through, there were some moments as to whether or not you thought the thing would pass. Yes, well, you know something, I'm going to be relentless on the subject because I believe the American people, once they understand there's a problem, once they understand the math, and once seniors understand that nothing is going to change, the next question to Members who have been elected is, "Why aren't you doing something about it?" See, if there's a problem—you saw the problem—and people begin to recognize the nature of the problem and the size of the problem and the cost of inactivity, and senior citizens understand that the propaganda they may have heard about somebody taking away their check simply isn't true, the next logical extension of the debate and the discussion is, "Say, if we got a problem and I'm going to get my check, what are you going to do about my grandkids?" It's a generational issue.

And we're just starting. So don't worry about me, Ray. I'm feeling pretty good about where we stand. The American people are wise. They just need to know the facts.

Part of the facts is understanding we have a problem, and part of the facts is what you're going to do about it. And today, this is an interesting opportunity for people to see a system that is—I bet most people in America don't understand what happens here in Ohio when it comes to the retirement system. And so thank you for being an innovator, and thank you for being a leader.

Now, who's next, Hubs?

Mr. Hubbard. Mr. Scott Johnson, who is very involved with the Ohio Public Employees Retirement System. And he can describe this new innovation that Ray provided through the legislature.

The President. Good. Tell us what you do.

Scott Johnson. Thank you, Mr. President. I'm Scott Johnson. I'm Governor Taft's director of administrative services. That's a central services organization similar to your General Services Administration, only adding human resources and personnel.

[*Mr. Johnson made further remarks.*]

The President. By the way, I went to West Virginia the other day and saw the asset base of the so-called Social Security trust. You know what? It was about four or five file cabinets full of paper. [*Laughter*] It was the IOU left behind from one hand of Government to the other hand of Government.

Mr. Johnson. We've been operating that since 1935, but of course, society has changed a bit over that period of time.

[*Mr. Johnson made further remarks.*]

The President. Sorry to interrupt you. Presidents do that sometimes. [*Laughter*] Portability—so if somebody is listening, and they're not exactly sure what that means and why that would be important to them——

Mr. Johnson. University professors typically move around——

The President. Right.

Mr. Johnson. ——and in mid-career may move from one university to another. And so they've already gotten some sort of retirement system underway and would like to move that from where they are to where they're going.

The President. If they change jobs, they could take their retirement account with them.

Mr. Johnson. Exactly.

The President. Yes. That's important for people to know. That's a concept that's an important part of any good plan, would be to recognize the needs of the person that is receiving a part of their retirement. They can move.

Go ahead.

[*Mr. Johnson made further remarks.*]

The President. I think that's a reasonable concept. Don't you, folks? Government says to the people, "You have a choice to make," you know?

Mr. Johnson. So what you, therefore, have with that combined program is a system where the portion that the employer, the State or the county or the city, contributes is administered by the professionals at the system. And the amount that the employee himself or herself contributes could be managed by that employee.

[*Mr. Johnson made further remarks.*]

The President. Yes, I guess you can't take the money and put it in the lottery——

Mr. Johnson. Well, even though we run a lottery——

The President. ——or on the trotting jockey—trotters or whatever it is next door here.

Mr. Johnson. No, sir, you can't do that.

The President. The point is that there is a relatively conservative or conservative mix of what's available for people to invest in. Is that an accurate assessment of the choices people have to make?

Mr. Johnson. The choices are all responsible ones, Mr. President.

The President. I don't know about the lottery being irresponsible—[*laughter*].

Mr. Johnson. But there is a great deal of variety and individual ability to be aggressive or not so aggressive as one chooses.

The President. That's right. See, it's an interesting concept that the people of Ohio have put in place. And the government basically said, "Hey, why don't we trust people? After all, it's their own money. Why don't we give them a chance to"—but you just can't go—there is a certain set of parameters, I presume, Scott, that—just like there is for the Federal employees, by the way. In other words, "Here's some options for you."

Some people think about whether or not people ought to be allowed to invest. They call it risky. I don't think it's risky to let people earn a better rate of return on their money, but obviously there's some parameters. There's some go-bys. And as you said, I think there's eight different options—nine different options.

Mr. Johnson. Nine, yes.

The President. In other words, the Government says—the Government does play a role and says, "Here's nine different opportunities for you to have a mix of stocks and bonds." Or it can go totally bonds, totally stocks, or is it generally a mixture? How does it——

Mr. Johnson. Mr. President, there are layers of choices you can make. You could, if you wish, choose one of three pre-mixed options.

The President. Got it.

Mr. Johnson. One would be conservative, one less conservative, and one, frankly, aggressive. Or you could, if you wish, develop your own asset mixture. You could have some bonds. You could have some equities. You could have TIPS. Conceivably, you could invest it all in bonds.

The President. Yes.

Mr. Johnson. You could do that if you wish to do so.

The President. Okay. You got any average rate of return on these programs? Or is that impossible to do?

Mr. Johnson. It's not impossible to do, but it's beyond my level of expertise. [*Laughter*]

The President. Okay. Well, I was talking with Senator McCain, who told me that he thought his rate of return, I think, was over 7 percent in his employee retirement Thrift Savings Plan, over time. In other words, a conservative mix of stocks and bonds that the Government—Federal Government allows Federal employees to make, a rate of return over 7 percent. You see, if you're keeping your money in the Social Security system, it's about 1.8 percent. And the difference for a younger worker between 7 percent and 1.8 percent over time is a lot of money, because interest compounds. It grows. Money grows over time.

And I think that's one of the reasons why employees said, "If it's good enough for professors, why don't you let me have a taste of this too? Why don't you give me a chance to watch my money grow and let me control it, and let me own it?"

So, I appreciate you bringing that forward, Scott. Thank you.

Mr. Johnson. Yes, sir.

The President. Very good job.

Betty Young, welcome. What do you do, Betty?

Betty Young. Thank you, Mr. President, and it's an honor and a pleasure to be here. I'm the executive director of human resource services for the University of Cincinnati.

[*Ms. Young made further remarks.*]

The President. First, you notice that Betty talked about 401(k)s and IRAs. I don't remember 401(k)s when I was growing up. In other words, there is a new culture in America when it comes to people managing their own assets; 401(k)s encourage management of your own assets—IRAs. In other words, more and more people in America are now becoming used to controlling their—managing their own money.

I presume you find a certain reticence initially, when—that says, "I'm not so sure I can do this."

Ms. Young. But you don't have to be a Wall Street wiz.

The President. Right.

Ms. Young. For example, the university requires that the different providers that offer these programs, that they provide educational materials.

[*Ms. Young made further remarks.*]

The President. That's good. You know, interesting thing that Betty talked about was encouraging people to open up a quarterly statement, or if you so choose, you can look at your wealth on a daily basis. I think that's an interesting concept. It seems like to me we'd like all of America doing that, watching their assets grow, not just Wall Street wizzes but everybody. I mean, if more people owned something—I like the idea of having a program in Ohio where it encourages ownership—not just one type of person but all people have got access to ownership.

It seems like to me a more hopeful America is going to be one in which people say, "I'm watching my assets grow, and I'm more"—let me just say, politicians will be—their actions will be a lot more scrutinized when somebody is watching whether or not the decisions made in Washington is affecting their work on a daily or quarterly basis. In other words, the more people paying attention to their assets, the more people will be paying attention to what happens in Washington, DC, or in Columbus, Ohio.

So thanks for bringing that to my mind. Let me ask you this: Obviously, there's a certain role for the State, and that is the State has chosen the providers—is that right, screened and chosen the providers?

Ms. Young. Yes. The Ohio Department of Insurance screens and chooses the providers that participate in the Ohio Alternative Retirement Program.

The President. So the charge that somehow a fly-by-night is going to get a hold of somebody's retirement account and fritter it away is just frivolous.

Ms. Young. Correct, because if there's ever a problem, for example, with one of the providers, then as the person that manages the program at the University of Cincinnati, then I can contact the Department of Insurance or go directly to that company about any issues that we may have.

The President. One of the other things that Betty talked about was mixing risk. And people need to understand that you can constantly change the risk of your asset base, that, for example, if you're 20 years old, you can take a little more risk. And when it comes time for fixing to retire, you switch from, perhaps, stocks—mix of stocks and bonds to a greater mix of bonds to stocks, so that you're able to decide for yourself what kind of asset base you have relative to where you are in the retirement—how close you are to retirement age. And I presume people are doing that, constantly switching in and out all the time to manage their assets.

[*Ms. Young made further remarks, concluding as follows.*]

Ms. Young. So I have my funds in a portion that is guaranteed 6 percent. That won't change during the life of the account.

The President. About 6 percent—it's a lot better than 1.8 percent in the Social Security system. And the difference between the 6 percent and the 1.8 percent over Betty's lifetime is a significant amount of money. And that's important for people to understand. What we're trying to do is to learn lessons from a State like Ohio, apply it at the Federal level, so workers get a better deal. And part of a better deal is a better rate of return. And part of a better deal, by the way, is saying, "I own it."

You listen to Betty's language. She's talking about her assets. She's not relying upon the Government. She says, "These are my assets, and I own these assets." And that's important. The more people own an asset, and the more people are able to say, "I'm going to pass it on to my son or daughter, whoever I choose," the better off America is, you see, being able to spread wealth.

Thank you, Betty. Good job.

Let me say one thing about the Social Security system before we get to Rick. Do you realize the system today is structured so that if you die early and you leave behind a spouse—say, you started working and contributing to the system at age 21, and you died at 51, 30 years of work, and you leave behind a spouse, and the spouse works—like many families in America, there's two spouses working—that the—and the spouse is the same age as the husband or wife, there are no death benefits if you're younger than 62 years old. And secondly, when the surviving spouse retires, he or she will get to choose between the survivor benefits or the contributions that he or she has made—is owed by the Government, whichever is greater, but not both.

Now, think about that. That's a system in which the person who's worked for 30 years, put in the money, and it's just gone. I don't think that makes sense for a good retirement system. The system here in Ohio essentially says that, if the principle were applied to the Federal Government, you have an asset. It grows. You watch it. You manage it, and if you pass away, you can leave it to your spouse to help that person transition, then help that person live life. It's an asset. This asset doesn't exist in a file cabinet in West Virginia. It's yours. It's an asset that you call your own, that can help you.

Now, when people retire here, I presume you can't spend all your asset base at once.

Ms. Young. You could take a withdrawal on a lump-sum basis, but normally, again, your ARP provider is going to work with you to design how you should now start drawing down on your money to ensure

a level of income throughout your remaining lifetime.

The President. That's what the—that's the vision at the Federal level for a personal account, is that there will be a drawdown to help complement the check, however big it's going to be, from the Federal Government. All I'm telling you is, we made promises to younger workers we can't keep. In other words, we've said, "We can pay you." We can't. Do you realize that in order to make sure that the payments that we promised to retirees are kept, that a younger worker may have to pay upwards of an 18-percent payroll tax? Try that on if you're a small-business owner. Try that on if you're struggling to get ahead. We need to fix it now, and one way to—a part of making sure the retirement system works well is to listen to the example right here in the State of Ohio.

Rick, ready to roll?

Richard Stenger. I certainly am.

The President. Okay. What do you do?

Mr. Stenger. I'm currently one of the directors of the Lake Metroparks system. We want to welcome you back to Lake County. The last time you were here——

The President. Yes, I know—[*inaudible*]. Thank you.

Mr. Stenger. You and 20,000 friends came and had a good day. [*Laughter*]

The President. I hope LaTourette stayed behind to clean up. [*Laughter*]

Mr. Stenger. Steve got busy. He was there, but he was watching us. [*Laughter*]

The President. Okay. He was an executive. [*Laughter*]

[*Mr. Stenger made further remarks.*]

The President. How did your money do in the Social Security system?

Mr. Stenger. Yes, 1.8, I think, right?

The President. Yes. You take a 6-percent differential, or 5.2-percent differential over a number of years, and you're going to see some serious money. And it ought to grow. The Government ought to give opportunities to our fellow citizens to have their money grow in a conservative mix of stocks and bonds, just like they did. It seems to make sense to me.

Mr. Stenger. Mr. President, one of the things that I found very helpful and interesting is the system does a good job of educating, because you come in and you're not sure what to do, and many people are afraid of change. They had a battery of questions you could answer, I think 20-some questions, and it sort of guided you as to where you fit on the investment scale. If you answered the questions, it would give you a score, and the score sort of categorized you into, you're okay to aggressively do it, conservatively do it, moderately do it. So people who are afraid of it don't know—you answer this battery of questions, and it gives you a pretty neat answer.

The President. Yes. See, that's an interesting point. I think some people are fearful of the obligation, I guess, if that's what it—of investing their own money. They're not exactly sure what the words mean. It's kind of an interesting assumption here in America, the investor class is only a certain type of person. I don't buy into that. I think all people are capable of learning what investment means. People from all walks of life, all neighborhoods have got the capacity to manage their own money. And you say the system helps people learn the words and learn what all this means. I mean, it's kind of fancy—rate of return, bonds and stocks.

Mr. Stenger. And the nice thing about it too, as Betty mentioned earlier, you can change. If you realize, "Well, I went real aggressive," and your lifestyle changes for whatever reason and you want to change, you can get online—you can do it daily if you so desire—you can take your quarterly statement, analyze it, make changes appropriately if you so desire. It's not like you're stuck with the choice you made.

The President. How do you make sure, like, these firms don't gouge you when it comes to fees? They've got a captive audience. They've got you pretty well roped

in once you make the decision. How does Ohio make sure that these fees aren't going up, that they're reasonable?

Mr. Stenger. The fees are defined—Scott would know more than I do, but if I read right, the fees are defined, depending on the plan you chose. I think the plan I chose, they're about .24, if I'm not mistaken.

The President. .24—sounds reasonable.

[*Mr. Hubbard made further remarks.*]

The President. I appreciate that.

What else you got, Ricky?

[*Mr. Stenger made further remarks.*]

The President. Well, I appreciate that. Listen, thanks for sharing this with us.

I got on the airplane; I started paying attention to what I was going to hear today; and I was amazed at the willingness of the great State of Ohio to think differently on behalf of the people who live here. And it struck me about how relevant this conversation was going to be, for others to listen to what is possible for Social Security.

Now, look, we need to come together in Washington, and we need to work on a permanent fix. All options are on the table. But part of that solution, in order to make it a better deal for younger workers, is for people of both parties to trust people with their own money, to devise a system that would work similar to the State of Ohio, that would say, "We're going to let you earn a better rate of return for your money," that would enable a mom or a dad to pass on their assets to whomever they chose, that would encourage portability, but that makes sense. It makes sense. The more somebody owns something in America, the more they're going to have a vital stake in the future of this country.

The State of Ohio has incorporated a lot of really important principles in this bill, Ray, and I want to thank you for that. One of the key principles is, Government has got to trust people. The more Government trusts people, trusts people with their own money, the more content, the more prosperous our society will be.

And so I want to thank you all for sharing with us. I hope you found it as educational as I have. I look forward to continuing to take this message to the people of the United States of America. I have great faith in the wisdom of the people of this country, and I fully understand that when the people of this country understand the depth of the problem that a young generation of Americans is going to face, and when senior citizens understand that they're going to get their check, the question is going to start to be to Members of Congress of both political parties, "How come you're not fixing it," because America is going to realize that every year we wait it's going to cost the young generation of Americans $600 billion to make this right.

And here's a fascinating idea, started right here in the great State of Ohio, sponsored by both Republicans and Democrats, that's working. And Congress needs to pay attention to things that work.

Thank you all for coming, and God bless.

NOTE: The President spoke at 1:03 p.m. at Lakeland Community College. In his remarks, he referred to Representative Steven C. LaTourette of Ohio, who introduced the President; Mayor Edward J. Podojil of Kirtland, OH; and Mayor David E. Anderson of Willoughby, OH. Discussion participant Scott Johnson referred to Gov. Bob Taft of Ohio.

The President's Radio Address
April 16, 2005

Good morning. American families and small businesses across the country are feeling the pinch from rising gas prices. If you're trying to meet a family budget or a payroll, even a small change at the pump can have a big impact.

America's prosperity depends on reliable, affordable, and secure sources of energy. And today, our energy needs are growing faster than our domestic sources are able to provide. Demand for electricity has grown more than 17 percent in the past decade while our transmission ability lags behind. And we continue to import more than one-half of our domestic oil supply.

In the coming days and weeks, I'll talk more about what we need to do in Washington to make sure America has an energy policy that reflects the demands of a new century. The first order of business is for Congress to pass an energy bill. Next week Congress begins debate on energy legislation, and they need to send me a bill that meets four important objectives.

First, the energy bill must encourage the use of technology to improve conservation. We must find smarter ways to meet our energy needs, and we must encourage Americans to make better choices about energy consumption. We must also continue to invest in research, so we will develop the technologies that would allow us to conserve more and be better stewards of the environment.

Second, the energy bill must encourage more production at home in environmentally sensitive ways. Over the past 3 years, America's energy consumption has increased by about 4 percent, while our domestic energy production has decreased by about 1 percent. That means more of our energy is coming from abroad. To meet our energy needs and strengthen our national security, we must make America less dependent on foreign sources of energy.

Third, the energy bill must diversify our energy supply by developing alternative sources of energy like ethanol or biodiesel. We need to promote safe, clean nuclear power. And to create more energy choices, Congress should provide tax credits for renewable power sources such as wind, solar, and landfill gas. We must also continue our clean-coal technology projects so that we can use the plentiful source of coal in an environmentally friendly way. The bill must also support pollution-free cars and trucks, powered by hydrogen fuel cells instead of gasoline.

Finally, the energy bill must help us find better, more reliable ways to deliver energy to consumers. In some parts of the country, our transmission lines and pipelines are decades older than the homes and businesses they supply. Many of them are increasingly vulnerable to events that can interrupt and shut down power in entire regions of the country. We must modernize our infrastructure to make America's energy more secure and reliable.

Every source of power that we use today started with the power of human invention, and those sources have served us well for decades. Now it's time to apply our knowledge and technology to keep the American Dream alive in this new century. There is nothing America cannot achieve when we put our mind to it. And I urge Congress to work out its differences and pass an energy bill that will help make America safer and more prosperous for the years to come.

Thank you for listening.

NOTE: The address was recorded at 8:45 a.m. on April 15 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on April 16. The transcript was made available by the Office of the Press Secretary on April 15 but was embargoed for release until the broadcast. The Office of the Press Secretary

also released a Spanish language transcript of this address.

Remarks on Strengthening Social Security in Columbia, South Carolina
April 18, 2005

Thank you all very much. Mr. Speaker, thank you for that kind and short introduction. [*Laughter*] I appreciate Governor Sanford being here. I want to thank the Lieutenant Governor. I appreciate President Pro Tem McConnell, Majority Leader Leatherman, members of the South Carolina legislature.

I appreciate my traveling party from Washington. Hope you appreciate them, too. That would be Senator Lindsey Graham, Senator DeMint, Members of the United States House of Representatives from the great State of South Carolina.

I appreciate the justices of the South Carolina Supreme Court being here. I thank those of you who have taken time to come and listen. I appreciate your warm welcome.

It is an honor to be speaking in this chamber. It is great to be back in the capital of South Carolina. The last time I came to this city, I gave the commencement speech at USC. I was proud to have received an honorary degree. When I told Laura about it, she said, "I thought your first degree was honorary." [*Laughter*] She sends her best, and she sends her love. She's, by the way, a fabulous First Lady. She is—[*applause*].

I appreciate our escort committee. I told the Members that this is the first time I have spoken to a legislative body, State legislative body since I was the Governor of Texas. So thank you for having me. It's—there's some differences, of course. There are a lot of cowboy hats back in Austin. [*Laughter*] And I'll be honest with you, a lot of us didn't know anything about dancing the shag. [*Laughter*] And I imagine we could have a pretty good debate about which of our States has the best barbecue. [*Laughter*] Now is not the time. [*Laughter*]

But one thing is, no matter whether you serve at the Federal level or the State level, we share serious responsibilities. See, our constituents have put us into office to solve problems now. That's what they've done. They said, "We've elected you to go to your statehouse"—or in my case, Washington, DC—"to solve problems." The people expect us to confront problems without illusion. They expect us to lead with conviction and confidence, not by reading the latest poll or listening to the latest focus group, and above all, they expect us to deliver results.

And here in South Carolina, you've delivered results. You've faced serious challenges, especially in your economy. Listen, we've had a stock market decline. We've had a recession. We've had corporate scandals. We had a terrorist attack on September the 11th, 2001. We've had the demands of war. And all these have tested our Nation's economy, and they hit particularly hard here in your State. South Carolina's economic growth slowed. Small businesses moved out or shut down. Workers lost their jobs, and State finances were headed toward a free fall.

The people of South Carolina looked to you and they looked to your Governor for leadership. And you delivered. You set clear priorities for your budget, and you made hard decisions when it came to spending. To rein in the rising costs of health care, you became one of the first States in the Nation to offer health savings accounts to State employees. To reward hard-working

families and job creators, you refused to raise taxes on the working people of South Carolina. You've focused bipartisan actions. You've lifted your State out of fiscal crisis. You've erased a $155 million deficit, and you've done it 2 years ahead of schedule. Today, South Carolina families are planning for the future with confidence.

I found this to be an interesting statistic about your State: More than 76 percent of the people in your State own their own home, one of the highest rates in the United States. Small businesses are investing and expanding. Exports are on the rise. Thanks to your leadership, thanks to your hard work, thanks to your willingness to set aside partisan differences, jobs are coming back to the great State of South Carolina.

In Washington, we're moving forward with an ambitious agenda to keep this country safe, prosperous, and free. The war on terror goes on. There are still ruthless enemies that would like to do harm to our people. We will continue to keep the pressure on these folks. We'll work with our friends and allies to be unrelenting in our search to bring them to justice. We will not rest until America is safe.

We'll continue to work to improve security here at home, but in the long term, in the long run, the best way to protect America and to keep the peace is to change the conditions that give rise to hopelessness and extremism. And the best way to do that is to spread freedom around the world. I don't believe freedom is America's gift to the world. I believe freedom is the Almighty God's gift to each man and woman in this world.

And that is why the United States of America will stand strongly with people in Afghanistan to Iraq to Lebanon to the Ukraine, because we understand that as freedom advances, the American people will be more secure, and we'll be able to achieve the peace that we all want.

My administration will continue to pursue progrowth policies to ensure that America is the best place in the world to do business. To keep the economy growing and create jobs, we will keep the taxes low. We'll continue to confront the problems of junk lawsuits by pushing for meaningful asbestos and medical liability reform. We'll work with Congress to pass an energy bill that will make America less dependent on foreign sources of energy.

I sent to Congress a disciplined Federal budget, and both the House and the Senate have passed budget resolutions. And now they need to work out their differences and send me a budget that meets America's priorities, that restrains Federal spending, and that keeps us on track to cut the deficit in half by 2009. In Washington and in Columbia, South Carolina, government needs to follow a straightforward principle: A taxpayer's dollar must be spent wisely or not spent at all.

Strong leadership means rising to the challenges of the day. It also means looking down the road. There will always be problems that arise unexpectedly, yet problems—some problems are completely predictable. And as leaders, you and I have a responsibility to confront those problems today and not pass them on to future generations.

Over the past few weeks, I've been traveling around the country talking about one of the most serious and most predictable challenges which face our Nation, and that is the long-term fiscal health of Social Security. Social Security has been a great success. Franklin Roosevelt did a really smart thing in setting up the Social Security system. It has provided an important safety net for millions of Americans.

Seniors in South Carolina and seniors across this country depend on their monthly checks as an important part of their lives, as an important source of income for their retirement. And today I have a message for every senior in South Carolina and every senior across this country: Do not pay attention to the propaganda and scare ads. If you're receiving a Social Security

check this month, you will continue receiving a Social Security next month and the month after that and every month for the rest of your life.

There are other Americans who are now approaching retirement and have been paying into Social Security throughout their lives. These workers are counting on Social Security as part of their retirement plans, and there's money in the system for them. If you were born prior to 1950, America will honor the promise of Social Security for you. The problem is that the Government is making promises for younger Americans that it cannot pay for. In other words, there's a hole in the safety net for younger Americans.

See, Social Security is a pay-as-you-go system. You pay, and we go ahead and spend here in Washington. [*Laughter*] We spend on—to provide benefits for current retirees, and with money left over, we have spent your payroll taxes on Government programs. Some people think there's a Social Security trust, where the Government is holding your money in an account with your name on it. It just doesn't work that way. That's not the way the system works. There is no vault holding your cash, waiting for you to retire. Instead, because we spend Social Security taxes on current retirees and other Government programs, all that is left over in the so-called security trust is a bunch of filing cabinets with IOUs in them.

As a matter of fact, I went to West Virginia the other day to look at the filing cabinets, to make sure the IOUs were there—paper, and it's there. And it's frankly not a very encouraging sight. It's not encouraging especially when you consider that times are changing in America, that the math for Social Security is changing significantly. By "the math" I mean this: In 1950, there were about 16 workers paying taxes for every beneficiary—16 workers for beneficiary. And today, there's 3.3 workers for every beneficiary. By the time our children and grandchildren are ready to retire, there will only be 2 workers paying for every beneficiary in the system.

That's only part of the problem. To compound the problem, the first baby boomers will soon start retiring. I happen to be one of them. As a matter of fact, I'm eligible to start collecting benefits in 2008, which happens to be a convenient year for me. [*Laughter*] The retirement of the baby boomer generation is going to have a huge impact on Social Security, because my generation is about 50 percent larger than my parents' generation. Today, there are about 40 million retirees receiving benefits. By the time all the baby boomers have retired, there will be more than 72 million retirees receiving benefits. And thanks to advances in modern medicine, these retirees will live longer and collect benefits over longer retirements than the previous generation.

And to compound the problem even further, Congress has ensured that benefits to my generation will grow faster than our economy or the rate of inflation. In other words, people went around the country saying, "Vote for me. I'll make sure your benefits are higher." And so this sets up an enormous fiscal challenge facing Social Security. With each passing year, there will be fewer workers paying ever-higher benefits to a larger number of retirees who are living longer.

And so here's the result: 3 years from now, when the first baby boomers start collecting Social Security benefits, the system will start heading toward the red. Less than a decade later, in 2017, Social Security will go negative. And by that I mean it will be paying out more in benefits than it collects in payroll taxes, more money going out than coming in. And every year after that, the shortfall will get worse.

In the year 2027, the Government will somehow have to come up with an extra $200 billion to fund the system—$200 billion more going out than coming in through payroll taxes. In 2034, the annual shortfall will be more than $300 billion a year. And by the year 2041, the entire system will

be bankrupt. Now, think about that. If we don't do something to fix the system now, the students graduating this spring from the University of South Carolina or, in deference to the Speaker, Clemson—[*laughter*]—will spend their entire careers paying Social Security taxes only to see the system go bankrupt a few years before they retire.

And I don't care if you're a Republican or Democrat, these are the facts. And the question is, do we have the will to do something about them? Now, in South Carolina, you know that once you're in the red, the options of getting out are never very appealing. If we allow Social Security to continue on its current path toward bankruptcy, we will leave our children and grandchildren with only a few drastic options to keep the system afloat. In other words, the longer you wait, the longer we don't do anything in Washington, the more drastic the solutions become.

For example, some estimate if we don't do anything, the payroll tax will get up to 18 percent. Is that a legacy we want to leave on younger generations of Americans? I don't think so. Or we're going to have to dramatically slash benefits or cut other Federal programs. The Social Security trust reported this—they said, "Every year we wait to fix the system will add an additional $600 billion to the cost of reform."

I understand why some in Washington don't want to take on this issue. I guess they calculate there's a political cost when dealing with a tough issue. I think there's a political cost for not dealing with the issue. And so I've been traveling this country of ours, making it absolutely clear what the problems are. See, my strategy is pretty simple: Take the message to the people and define the facts of the problem, and let the people draw their own conclusions. I've been to 22 States to explain the facts. I've been to those States to explain the urgent need for the United States Congress to work with the administration to get something done now. And more and more Americans are beginning to hear the message.

I'm just starting. I'm just warming up. As a matter of fact, I like getting out of Washington, DC. I like coming to places like South Carolina to put the facts on the table so the people can make their own mind about what's happening in Social Security.

I don't know if you've ever heard of Dutch Fork High School in Irmo. I met a very innovative teacher who assigned her students this assignment: Why don't you write letters to the editor about their impressions of Social Security? Here's what one of her students wrote: "By the time my generation gets to the age to draw Social Security, there will be no money left for us to draw on." This is a young high school student writing that. This isn't a professor in economics. This is a high school student. He said, "I don't know about other people, but I don't like the sound of that." People are beginning to get the message that there is a problem in Social Security.

Today I met an 80-year-old—80-year-old "young" woman from Silverstreet named Shirley. She said she's counting on Social Security. She gets a Social Security check every month, and she's confident she'll keep getting her checks. And there's no doubt in her mind she's going to get her checks, but there's a doubt in her mind as to whether or not her granddaughters are going to have comfort in their retirement, whether or not the safety net will be there for them. Here's what she said: She said, "I don't know what I would do without it. It's my granddaughters that I'm worried about, and I want to do whatever is possible to fix the system for them."

Folks, we're talking about a generational issue here in America. The grandfolks are going to get their checks, and the fundamental question is, do we have the will in Washington, DC, to make sure the system works for the grandchildren of America? And that's what I'm here talking about.

I believe I have a duty to ask people to bring ideas forward. I brought a few myself, and I appreciate the response of Senator Lindsey Graham. He's brought some ideas forward, as has Senator Jim DeMint, as has your Governor. These men have been leaders in the debate. They've stepped up and said, "Here are some ideas I'd like you to consider." But they're not the only ones who have set up good ideas. Former Congressman Tim Penny, a Democrat from Minnesota, has suggested tying Social Security benefits to prices rather than wages. My predecessor, Bill Clinton, had time—had meetings all around the country on Social Security, and he spoke of increasing the retirement age at one time.

I put together a Commission of Republicans and Democrats, headed by the late Senator Daniel Patrick Moynihan of New York, and they did fine work. They recommended changing the way benefits are calculated. In other words, people are putting ideas on the table. An interesting idea was put forward by a Democrat Social Security expert named Robert Pozen, who has proposed a progressive way of structuring benefits that will be more generous to low-income workers. And that's an important idea.

In other words, all these ideas are on the table, but they have one thing in common. They all require us to act now. Saving Social Security is not a Republican goal. It is not a Democrat goal. It is a vital goal to all our country, and people of both political parties need to get the job done now.

There are some basic principles that must guide our efforts to fix Social Security. We should not raise the payroll tax rate. That would hurt the economy and cost jobs. We must ensure that Social Security continues to provide dignity and peace of mind for Americans in retirement and include extra protections for those with low incomes. We must reject temporary measures that put off Social Security problems for another day.

You need to be skeptical about any talk that talks about a 75-year fix. Back in 1983, Republicans and Democrats came together on what they thought was a 75-year fix. You know, I like the spirit of people of both parties coming together, and that was great. President Reagan and Speaker O'Neill said, "We got a problem. Let's come together to fix it." But they thought it was a 75-year fix; here we are, 22 years later. It's time to come up with a permanent solution. When people bring forth their ideas in Congress, I will insist that we not have a bandaid approach to Social Security, that we have a permanent fix. And I'm optimistic about the chances for meaningful Social Security reform.

You know, a few weeks ago the United States Senate voted on a resolution guaranteeing that any Social Security fix must be permanent. The vote has the agreement of the two Senators from South Carolina, the two Senators from Texas, the two Senators from Massachusetts. Any time that happens, you've got yourself a bipartisan agreement. [*Laughter*] In fact, the vote in Congress was unanimous. Think about that. Every single United States Senator is on the record supporting a permanent fix. Now those Senators need to keep their word and make Social Security solvent once and for all.

Bringing permanent solvency to Social Security is an important start, but it's only part of our duty. Preserving Social Security should not mean preserving its problems. Today, we have an opportunity to offer younger Americans a better deal than the current system. Today, we can give every American the chance to tap into the power of compound interest, so they can get a higher rate of return on their money than the current system allows. You might notice I said "their money." See, we're not spending the Government's money. The payroll taxes are the people's money. It's coming from hard-working people.

We can build this opportunity into Social Security by giving younger workers the option to set aside some of their own money in a personal retirement account. The account would be a conservative mix of bonds and stocks that grows over time and can deliver a greater return than the Social Security system does. That would be a good deal for younger workers.

Since 1983, since that reform took place, stock investments have returned about 9 percent more than inflation per year, while the real return on Social Security is about 2 percent a year. That means that a dollar invested in the market in 1983 would be worth $11 today—one dollar would grow to 11—while the same dollar would be worth about 3 if it had been put in Social Security. Every young American should have the opportunity to take advantage of the compounding rate of interest to earn a better return on his or her own money.

Personal accounts would be completely voluntary. Younger workers could choose to join or choose not to join. That seems to make sense, for Government to provide opportunities of choice for individual Americans. Workers opting to open an account would be able to put about a third of their payroll taxes in investments instead of sending their money to Washington. For example, a younger worker earning an average of $35,000 a year over a career, because of the growth of money, would be able to retire with a nest egg of nearly a quarter-million dollars. That would be a nice addition to the other Social Security benefits.

These voluntary accounts would come with strict guidelines to make sure they're secure. You couldn't take—put them in the lottery—sorry to say, Speaker. [*Laughter*] You could make sure the earnings aren't eaten up by hidden Wall Street fees. We'll make sure there are good options to protect investments from sudden market swings on the eve of retirement. You won't be able to withdraw all your money and take it to the racetrack. These accounts will offer straightforward investment choices that are easy to understand.

By the way, this concept isn't new. After all, in South Carolina, all State employees can choose to put part of their retirement savings in a traditional retirement plan or in a conservative mix of bonds and stocks that can deliver a better rate of return. So when I talk about personal accounts available for younger workers, you know what I'm talking about right here in South Carolina. You've already made that decision for people who are serving the State.

I don't know if you know this or not, but Federal employees have that same opportunity to watch their money grow, through a program called the Thrift Savings Plan. It's a plan that allows Members of the United States Congress and the United States Senate to set aside some of their own money, if they so choose to do so, in a conservative mix of bonds and stocks. It seems fair to me that if setting up a personal savings account is good enough for a Member of the United States Congress, it is good enough for workers all across America.

By giving younger workers an option to set up a personal savings account, we have an opportunity to modernize and strengthen a great American program. We have a chance to bring the Social Security system into the 21st century.

The reason I say that is, today, young people are comfortable investing in bonds and stocks. Millions of workers now choose to plan for retirement with their own savings accounts through programs like 401(k)s. I don't remember growing up hearing the word "401(k)." I don't think you remember that. You're old enough to be around when they didn't have 401(k)s—[*laughter*]—or IRAs. We're not talking about a new culture. We're talking about a culture that's already taken hold in our society, where workers from all walks of life are watching their money grow and making decisions on behalf of their families with where they invest.

See, telling younger workers they have to save money in a 1930s retirement system is like telling them that they have to use a cell phone with a rotary dial. [*Laughter*] If young people are confident they can improve their retirement by investing in a conservative mix of bonds and stocks, the Government should not stand in their way.

Creating these accounts will also give our children and grandchildren a chance to replace a burden of uncertainty with a new opportunity. Instead of leaving their full retirement in the hands of future politicians, younger workers will be able to take part of their retirement into their own hands. Instead of sending all the payroll taxes to Washington, younger workers would be able to transfer part of their money directly into an account they own and that the Government can never take away. Instead of forfeiting years of Social Security contributions if they die before retirement, younger workers would have peace of mind that their personal accounts could be passed on to a loved one.

Young people are learning more about the opportunity to own part of their retirement, and they're making their opinion pretty clear. I met Philip Meador today. He's a graduating senior from The Citadel. He told me he's going to be starting a new job in June. He knows he's going to start paying Social Security taxes. What he's not sure about is whether or not he'll ever be seeing a Social Security check. He certainly will be paying in; he's not so sure what's going to be coming out. He likes the idea of keeping part of his money in an account that he controls. He said, "I like the options. You choose what to put in. You choose the investments. It depends on what you're looking for. I think every individual should be able to choose a plan that fits them."

A lot of young people are beginning to say that. A lot of young people want this United States Government to come together and make sure there's not a huge burden when they grow up. A lot of young people want the Government to give them the option of making choices with their own money.

And I know you all feel the same way in this chamber. That's why you passed resolutions calling on the United States Congress to strengthen this important program, Social Security, and to give younger workers the option of voluntary personal retirement accounts. You recognize that a Social Security system that includes personal accounts will give all Americans, not just a few but all Americans, a stake in the greatest creator of wealth the world has ever known. You recognize that personal accounts will bring the security and independence of ownership to millions of our citizens. And you recognize that personal accounts are critical to building an ownership society, a more optimistic and more hopeful America in which more people own their own homes, more people own their own businesses, more people have ownership in a retirement account, more people have an asset base they call their own that they can pass on to whomever they choose.

You see, owning assets ought not to be confined to a few people in our society. Owning an asset and being able to pass it on to your son or daughter ought not to be the purview of a few. In this great land, it ought to be spread—ownership ought to be spread to everybody who is lucky enough to be an American. You recognize that when people own something, they have a vital stake in the future of our country, and that personal accounts will help give every citizen the chance, the opportunity to realize the dreams of this land.

The legislature of this great State of South Carolina has shown leadership on this important issue, and now the United States Congress needs to do the same. I understand that Social Security is a tough issue, but Congress has tackled tough issues before. We've seen in the past how leaders from both parties can rise above partisan politics to meet great responsibilities. And now is the time for them to do so again.

I am confident that Members of Congress will come together to reach a permanent solution. And when they do, our children and grandchildren will one day look back and be grateful that our generation made the difficult choices and the necessary choices to renew the great promise of the Social Security system for the 21st century.

I want to thank you all for the invitation to come to your great State. I appreciate you giving me a chance to come and visit. It's an honor to talk about such an important topic with those who have been willing to serve. May God bless you in your efforts, and may God bless your families, and may God continue to bless the United States of America.

NOTE: The President spoke at 12:17 p.m. at the South Carolina Statehouse. In his remarks, he referred to David H. Wilkins, speaker, South Carolina State House of Representatives; Gov. Mark Sanford and Lt. Gov. Andre Bauer of South Carolina; and Glenn F. McConnell, president pro tempore, and Hugh K. Leatherman, Sr., majority leader, South Carolina State Senate.

Interview With the Lebanese Broadcasting Corporation
April 18, 2005

Q. Thank you for your time, Mr. President.

The President. My honor, thank you.

U.S. Support for Lebanese Freedom

Q. Recently there isn't a day that passes by without you mentioning Lebanon. Why now, this country that was under occupation for almost 30 years, became so important for the United States?

The President. Well, there's a movement toward freedom around the world. And the Lebanese people have made it clear that they want to be free of Syrian influence; they want there to be free elections. And the United States of America stands squarely with the people of Lebanon.

Syrian Withdrawal From Lebanon

Q. Are you concerned, Mr. President, that your calls for freedom in Lebanon, for free elections, and for the Syrians to be out of Lebanon could be seen as interfering in Lebanon's internal affairs?

The President. No, I don't think so. I think people will see that the United States is consistent in working with the people so that they can have a free voice, and so they get to decide the Government. The people of Lebanon will decide who is in their Government, not the United States. But the United States can join with the rest of the world, like we've done, and say to Syria, "Get out—not only get out with your military forces, but get out with your intelligence services too. Get completely out of Lebanon, so Lebanon can be free and the people can be free."

Q. Do you have any doubts that Syria will be out by end of April?

The President. I am pleased that they're beginning to get out. And we expect them to be completely out, and I mean not only the troops but the people that have had—that have been embedded in parts of Government, some of the intelligence services that have been embedded in Government and others. They need to get completely out of Lebanon so the people of Lebanon can decide the fate of the country, not another Government, not agents of another Government, but the people.

And Lebanon is a great country, and Lebanon has had a fantastic history. It's also had some difficult days. But I think there is a better day ahead for the people of Lebanon, and I think people, no matter

what their politics may be, really want Lebanon to succeed.

Lebanese Freedom

Q. Mr. President, I'm sure you saw the pictures of the demonstrations in Lebanon. Beirut was packed with maybe a million people in the street, calling for freedom and democracy in Lebanon. What was your—what did you feel when you saw it?

The President. Well, I wasn't surprised, because I think everybody wants to be free. I think people long to be free, and I think people are tired of living under a Government which, in essence, was a foreign occupation.

The other thing is, in our great country, there's a lot of Lebanese Americans that love Lebanon. And everywhere I go in my country, people are saying, "Now, listen, as the President, you must work there to be a free Lebanon." And so I'm not surprised. If the spirit of those Lebanese Americans is strong here, imagine what the spirit will be of their relatives and friends in Beirut. People live in a free society here, and not one there, but there will be one soon.

Hizballah/Implementing U.N. Security Council Resolution 1559

Q. You worked closely with the French on Resolution 1559. And this resolution calls Hizballah to disarm. How will the United States ensure this happens?

The President. Well, first things first, and that is to make sure that there are free elections. Secondly, listen, we put Hizballah on the terrorist list for a reason; they've killed Americans in the past. And we will continue to work with the international community to keep the pressure on this group of people. And we'll work with the international community to fully implement 1559.

But ultimately, the people of Lebanon are going to decide the fate of the country. And you can't have a free country if a group of people are like an armed militia. In other words, there needs to be police organized by the state, a military organized by the state. But citizens groups that are armed, trying to impose their will on a free society is just not the definition of a free society.

Q. But Mr. President, what if Lebanon is not capable of implementing this element of the Resolution 1559?

The President. Well, the international community is going to have to work to help them achieve that capability. Listen, not every free society is capable of internal security right off the bat. And there's ways for the international community to come together to reassure the people that there will be help to secure the country.

Freedom in the Middle East

Q. I'm sure, Mr. President, you heard what I want to say maybe thousands of times, and maybe from Presidents and Kings that come and see you here in the White House—some people think that it's not in the best interest of America to have democratic Arab countries——

The President. Right.

Q. ——because democracy and free elections may help anti-American groups, radical groups to come to power. What do you respond to that?

The President. I respond to them and say, "Well, I guess they don't really understand me, and they don't understand my view of freedom, because I think freedom is embedded in everybody's soul." I do believe there is an Almighty God, and I believe that freedom is that Almighty God's gift to each man and woman in this world. I believe that a true free society, one that self-governs, one that listens to the people, will be a peaceful society, not an angry society but a peaceful society.

And the reason I believe that is because I believe, for example, most mothers want to raise their children in a peaceful world, and they want their little children to be able to go to school and to grow up in peace. And if that's the ultimate feeling

of the people, the Government, if it's a true democracy, will reflect that.

Support for the Lebanese Economy

Q. Well, Mr. President, I'm sure you know that Lebanon is also facing severe economic problems.

The President. Yes.

Q. Would the U.S. be willing to rally the world community to help Lebanon's economy?

The President. Of course. The United States as well as European finance ministers would want to work closely with international organizations, like the IMF or the World Bank, to help this country get back on its feet after occupation, help this new democracy succeed. Yes, there will be plenty of help.

The Lebanese people are going to have to, though, however, have elections. In my judgment, they ought to be as scheduled. And the elections need to be free and fair, without interference. There will be monitors, hopefully, international monitors, to make sure they're free and fair. The people of that good country ought to feel comfortable about going out and voting and expressing their opinion. And when a democracy is up and running, I believe the international community will want to help this new democracy.

Syria-U.S. Relations

Q. Mr. President, we all know that Syrian-American relations are at their lowest now. Is there a roadmap for Syria to improve its relationship with the United States?

The President. Well, Syria has heard from us before. We have made it very clear that—what we expect, in order to be able to have relations with us. First on the agenda, right now, there's two things immediately that come to mind. One is to stop supporting Ba'athists in Iraq, stop those people in Syria who are funneling money and helping smuggle people and arms into Iraq. They've heard that message directly from me. And secondly, of course, is to completely withdraw from Lebanon. Syria must shut down Hizballah offices. Hizballah not only is trying to destabilize the peace process between Israel and the Palestinians, but Hizballah, as you know, is a dangerous organization.

Q. But those offices are in Lebanon; they're not in Syria.

The President. Well, they're in Syria too. And Syria has got to do its part about making sure that Hizballah doesn't receive support from Syria.

Q. What if the diplomatic effort and the sanctions fail in changing Syrian attitudes? Is there another option?

The President. Well, I think the Government will feel the international pressure. We're just beginning. And obviously, diplomacy is the first course of action. And we hope—I think diplomacy will work.

Israel-Syria Relations

Q. Mr. President, for the last four or five decades, Israel was seen as a country trying hard to be accepted by its Arab neighbors and signing peace agreements with them. Nowadays we hear someone like President Bashir of Syria complaining that all Syria's attempts to relaunch peace talks with Israel were not taken seriously. Are you doing something to intervene and maybe to put the two parties together?

The President. Well, first of all, Syria and Israel have got current obligations. Syria has got a current obligation to get out of Lebanon. And again I'll repeat this, because I want it very clear what I mean by, "Get out of Lebanon." I mean not only troops but intelligence services as well. And we expect that to happen. Syria has also got to stop inciting or providing—allowing people in their country to incite violence against Iraqi citizens and our coalition troops.

Israel has got obligations under the current roadmap to help the Palestinians. Israel is getting ready to withdraw from Gaza, and we expect the Government of

Israel—and want to work with the Government of Israel and the Palestinian Authority to make this withdraw successful. And so there's a lot of obligations that these two countries have right now in order to affect world peace.

Late Lebanese Prime Minister Hariri

Q. I want to go back to Lebanon and ask you, Mr. President, what do you recall from your last meeting with the late Lebanese Prime Minister Rafiq Hariri?

The President. Yes. I remember I met members—I remember their family love. I remember how proud he was of his boys. And then Laura and I met Mrs. Hariri in France when we were there. I was there visiting President Chirac, and he hosted a dinner for me and my delegation, and Mrs. Chirac kindly hosted a dinner for Laura, and Mrs. Hariri was one of the guests. I remember how striking she was, very lovely lady. I know her heart is broken at the loss of her husband.

Prime Minister Hariri was here to talk to me about Lebanese affairs. He clearly loved the country and loved the people of Lebanon. And I know he'll be sorely missed.

Message to the Lebanese People

Q. Mr. President, is there anything else you would like to convey to the Lebanese people?

The President. I will. United States believes in freedom, and we appreciate courage. We appreciate the courage of those who are willing to stand up and say, "We want to be free. We want to be a democracy. We want to help establish a Government that responds to the people." And you'll have our help.

Q. Thank you so much, Mr. President. We greatly appreciate it.

The President. Thank you.

NOTE: The interview was taped at 3:56 p.m. in the Map Room at the White House for later broadcast, and the transcript was released by the Office of the Press Secretary on April 19. In his remarks, the President referred to Nazek Hariri, widow of Prime Minister Rafiq Hariri of Lebanon, who was assassinated on February 14 in Beirut, Lebanon; and President Jacques Chirac of France and his wife, Bernadette. The interviewer referred to President Bashar al-Asad of Syria. A tape was not available for verification of the content of this interview.

Remarks at the Abraham Lincoln Presidential Library and Museum Dedication in Springfield, Illinois
April 19, 2005

Thank you all very much. Thanks for the warm welcome. Laura and I are so very grateful for your generous invitation to be here. Mr. Speaker, thank you for your incredibly warm words. I appreciate your leadership. I appreciate your friendship, and so do the people of Illinois.

I am so honored to be here to dedicate a great institution honoring such a great American. The Abraham Lincoln Presidential Library and Museum was a long time coming. But as many speakers have said, it's really worth the wait. Laura and I were just given a tour by Richard—appreciate his leadership, by the way. I guess the best way to describe what we saw is a superb collection, a superb resource for scholars, and an invitation for all, especially the young, to rediscover Lincoln for themselves.

The mission of this library is essential to our country, because to understand the life and the sacrifice of Abraham Lincoln is to understand the meaning and promise

of America. Most of you all know the First Lady was a librarian. Any time she can get me into a library is a pretty good deal, as far as she's concerned. [*Laughter*]

I want to thank your Governor and Patti for their hospitality. Thank you, Lieutenant Governor.

I thank the two United States Senators from Illinois, Senator Durbin and Obama. I appreciate the members of the United States congressional delegation who are here. I particularly want to pay my respects to Ray LaHood, who has worked so hard on this project.

I want to thank all the members of the statehouse who are here. I appreciate the mayor, Mayor Davlin. I appreciate the secretary of State and treasurer—I appreciate you all for coming.

It's an honor to be here with our fellow citizens. I particularly want to say thanks to my friend Jim Edgar for his leadership to get this museum going. I want to thank Brian Lamb. C–SPAN happens to be one of my mother's favorite networks. [*Laughter*] I particularly want to thank Mihan Lee for standing up in front of us and expressing her words so eloquently about living in a free society. I thank Reverend McLean for his prayers. And I thank you all for coming.

All of us have come here today because of our great appreciation for the 16th President of the United States. In a small way, I can relate to the railsplitter from out West because he had a way of speaking that was not always appreciated by the newspapers back East. [*Laughter*] A New York Times story on his first Inaugural Address reported that Mr. Lincoln was lucky "it was not the constitution of the English language and the laws of English grammar that he was called upon to support." [*Laughter*] I think that fellow is still writing for the Times. [*Laughter*]

In Washington, DC, where Lincoln served America and where he was assassinated, we honor his influence in a great temple of democracy. Here in Springfield, in Illinois, where he lived along with Mary and where their sons were born and where the funeral train ended its journey 140 years ago, we honor his good life in a more personal way. Here we can walk through his house, see his belongings, and read the Gettysburg Address in his own hand. And even across the mounting years, we can sense the power of his mind, the depth of his convictions, and the decency that defined his entire life.

Abraham Lincoln started life in the last month of Thomas Jefferson's Presidency, with no early advantages other than curiosity and character. Before history took notice, he earned money as a storekeeper, a surveyor, and a postmaster. He taught himself the law. He established a successful legal practice and rose in a new political party on the power of his words. Those who knew him remembered his candor, his kindness, and his searching intellect, his combination of frontier humor with the cadences of Shakespeare and the Holy Bible. As a State legislator in Springfield, a Congressman, and a debater on the stump, Lincoln embodied the democratic ideal that leadership and even genius are found among the people themselves and sometimes in the most unlikely places.

Young Lincoln didn't worry much about how he looked or what he wore. He took great care with the things he said, and Americans took notice beyond the borders of Illinois. In New York City, an eyewitness at his Cooper Union Speech in 1860 said this: "His face lighted up as with an inward fire. The whole man was transfigured. I forgot his clothes, his personal appearance, and his individual peculiarities. Presently forgetting myself, I was on my feet with the rest, cheering this wonderful man."

An ambitious young Lincoln was heard to lament that the great work of the American Revolution was all in the past. When he departed Springfield as President-elect, he spoke of duties perhaps even greater than George Washington faced. Events proved him correct. His very election as

President was regarded as a cause for war. And as he sent legions of men to death and sacrifice, Lincoln's own burden began to show in a lined and tired face.

Without really knowing it, the American people had chosen perhaps the only man who could preserve our unity and assure our future as a great nation. He was the relentless enemy of secession, without hatred or malice toward those who seceded. He grieved every day at the ruin and waste of war, yet he knew that even this tragedy could be redeemed by the renewal of American ideals. On Good Friday, 1865, Lincoln did not know it was his last day on Earth. But on that day, he knew that all the sacrifices and the sorrow across the land had meaning, and the Union had been saved.

When his life was taken, Abraham Lincoln assumed a greater role in the story of America than man or President. Every generation has looked up to him as the Great Emancipator, the hero of unity, and the martyr of freedom. Children have learned to follow his model of integrity and principle. Leaders have read and quoted his words and have hoped to find a measure of his wisdom and strength. In all this, Lincoln has taken on the elements of myth. And in this case, the myth is true. In the character and convictions of this one man, we see all that America hopes to be.

Lincoln's career and contributions were founded on a single argument: That there are no exceptions to the ringing promises of the Declaration of Independence; that all of us who share the human race are created equal. At a campaign stop in Chicago, Lincoln said, "If that Declaration is not the truth, let us get out the statute book in which we find it and tear it out. Who is so bold as to do it? Let us stick to it then. Let us stand firmly by it then."

This led him over time to confront the great tension in America's founding between the promise of liberty and the fact of slavery. Lincoln was morally offended by what he called "the monstrous injustice of slavery itself." And he believed the permanent acceptance of the institution of slavery would represent the end of the American ideal. He would not accept that our new world of hope and freedom must forever be a prison for millions. And so with the relentless logic and clarity of Lincoln, he pushed his countrymen to choose: Live up to the truth written into human nature by our Creator, or disavow the freedom our Forefathers had earned.

President Lincoln sought every reasonable political compromise that might avoid war, but he did not believe America could surrender its founding commitments and remain the same country. As his Presidency unfolded, this conviction gathered force and urgency until the day he freed millions by signing a proclamation. And then he looked up and said, "That will do." Days before his death in April 1865, Lincoln spoke from a White House window and declared that the right to vote should be extended to some freed men and African Americans who had fought for the Union. In that audience was a man named Booth, who vowed, this is "the last speech he will ever make."

Lincoln's voice was silenced, but he, more than any other American, has spoken to all the ages, and his words have haunted and driven our history. His authority was asserted after the war as we corrected our Constitution and finally ended the great national sin of slavery. Citizens enlisted Lincoln's principles in the fight to bring the vote to women and to end Jim Crow laws. When Martin Luther King, Jr., called America to redeem the promissory note of the Declaration, he stood on the steps of the Lincoln Memorial, and Lincoln was behind him in more ways than one. From the lunch counter to the schoolhouse door to the Army barracks, President Lincoln has continued to hold this Nation to its promises. And we will never relent. We will never rest until those promises are met.

The convictions that have guided our history are also at issue in our world. We also face some questions in our time: Do

the promises of the Declaration apply beyond the culture that produced it? Are some, because of birth or background, destined to live in tyranny, or do all, regardless of birth or background, deserve to live in freedom? Americans have no right or calling to impose our own form of government on others. Yet American interests and values are both served by standing for liberty in every part of the world.

Our interests are served when former enemies become democratic partners, because free governments do not support terror or seek to conquer their neighbors. Our interests are served by the spread of democratic societies because free societies reward the hopes of their citizens, instead of feeding the hatreds that lead to violence. Our deepest values are also served when we take our part in freedom's advance, when the chains of millions are broken and the captives are set free, because we are honored to serve the cause that gave us birth.

Sometimes the progress of liberty comes gradually, like water that cuts through stone. Sometimes progress comes like a wildfire, kindled by example and courage. We see that example and courage today in Afghanistan and Kyrgystan, Ukraine, Georgia, and Iraq. We believe that people in Zimbabwe and Iran and Lebanon and beyond have the same hopes, the same rights, and the same future of self-government. The principles of the Declaration still inspire, and the words of the Declaration are forever true. So we will stick to it. We will stand firmly by it.

Every generation strives to define the lessons of Abraham Lincoln, and that is part of our tribute to the man himself. None of us can claim his legacy as our own, but all of us can learn from the faith that guided him. He trusted in freedom and in the wisdom of the Founders, even in the darkest hours. That trust has helped Americans carry on, even after the second day of Gettysburg, even on December 8, 1941, even on September the 12th, 2001. Whenever freedom is challenged, the proper response is to go forward with confidence in freedom's power.

Lincoln also trusted in the ways of Providence, the working of an unseen power. He knew the course of Providence is not always what we hope or ask or expect, but he trusted still. In his example, we are reminded to be patient and humble, knowing that God's purpose and God's justice will break forth in time.

Abraham Lincoln had a streak of melancholy in him. He said our short lives are like "the break of the wave." But the wave of his life is still felt in our world. The Union he saved still thanks him. The people he freed still honor him. And here in the place he called home, Springfield, Illinois, we proudly dedicate the Abraham Lincoln Library and Museum.

May God bless you all.

NOTE: The President spoke at 11:59 a.m. in Union Square Park. In his remarks, he referred to Richard Norton Smith, executive director, Abraham Lincoln Presidential Library and Museum; Gov. Rod Blagojevich of Illinois and his wife, Patti; Lt. Gov. Pat Quinn, Secretary of State Jesse White, and State Treasurer Judy Baar Topinka of Illinois; Mayor Timothy J. Davlin of Springfield, IL; Jim Edgar, president, Abraham Lincoln Presidential Library Foundation; Brian P. Lamb, chairman and chief executive officer, C–SPAN; Mihan Lee, grand prize winner, C–SPAN Lincoln Essay Contest; and Rev. Gordon McLean, First Presbyterian Church, Springfield, IL.

Remarks on the Election of Pope Benedict XVI
April 19, 2005

Laura and I offer our congratulations to Pope Benedict XVI. He's a man of great wisdom and knowledge. He's a man who serves the Lord. We remember well his sermon at the Pope's funeral in Rome, how his words touched our hearts and the hearts of millions. We join with our fellow citizens and millions around the world who pray for continued strength and wisdom as His Holiness leads the Catholic Church.

Thank you all.

NOTE: The President spoke at 3:31 p.m. on the South Lawn at the White House upon arrival from Springfield, IL.

Statement on the 10th Anniversary of the Oklahoma City Bombing
April 19, 2005

The 10th anniversary of the Oklahoma City bombing takes us back to the terrible tragedy that touched all Americans and took the lives of so many from Oklahoma City. We remember the malice that led to the death of 168 innocent people in the Murrah Federal Building. For the survivors of this crime and for the families of the dead, the pain goes on. We also remember the many acts of courage and kindness we saw in the midst of that horror. Oklahoma City will always be one of those places in our national memory where the worst and the best both came to pass. We pray for the lives that were lost that day, and we pray for their families. We ask God for strength and peace for those who lost so much.

Message on the Observance of Passover, 5765
April 19, 2005

I send greetings to those observing Passover, beginning at sundown on April 23.

This celebration marks the historic exodus of the Israelites from Pharaoh's oppression more than 3,000 years ago. During Passover, Jews around the world gather with family and friends to share the story of God's deliverance of the Israelites from slavery to freedom. Through songs and prayers, they remember the blessings and mercy of a just and loving God. By passing this story from generation to generation, they teach the triumph of faith over tyranny and celebrate God's promise of freedom.

The lesson of this story is timeless and reminds us that even in the face of struggle, hope endures. As we work to bring hope to the oppressed, we recall the words of the Psalmist, which are read at the Seder meal: "This is the day the Lord has made; let us rejoice and be glad in it."

Laura and I send our best wishes for a joyous Passover.

GEORGE W. BUSH

NOTE: An original was not available for verification of the content of this message.

Remarks Honoring the 2005 National and State Teachers of the Year
April 20, 2005

Thank you all. Please be seated. Welcome. Welcome to the Rose Garden. And it's a beautiful day to continue the tradition of honoring America's finest teachers at the White House. We're really happy you're here.

Somewhere along the way, all of us got to know a teacher who made a real difference in our lives. In my case, I married one—[*laughter*]—and I appreciate you. I appreciate my love for Laura. I appreciate Laura's love for teaching, and I appreciate the great job you're doing as the First Lady.

She was raised in Midland, just like you were, Carol. Maybe that has something to do with it.

We like to say in our household, teaching is more than a job; it is a calling. You know what I'm talking about. You wouldn't be sitting here if you had not heard the calling. By helping every child realize his or her potential, our teachers show their students that dreams can become reality. What a fantastic job, isn't it, to help somebody realize a dream can become a reality. All who answer the call to teach deserve our support, our respect, and our affection.

Somebody who understands the role of a teacher is our Secretary of Education, Margaret Spellings, who is with us. Margaret has been a longtime friend. We were involved with education reform in Texas. We bring the spirit of reform to Washington, DC, and you're doing a fine job, Madam Secretary.

The chairman of the House Education and Workforce Committee, John Boehner, is with us, from the great State of Ohio. Thank you, John. Bob Filner from California; Doc Hastings from Washington; Leonard Boswell from the great State of Iowa—welcome. Appreciate you all. I want to thank you for taking time out of your schedules to come here. This is an important moment, and I appreciate you recognizing it as such.

I want to thank the Mayor. Mr. Mayor, thank you for coming. I always like to tell the Mayor that it's important for the Mayor to fill the potholes—[*laughter*]—particularly close to White House, Mayor. And you're doing a fine job. Last time I saw the Mayor was at Opening Day. For those of you who follow professional baseball, you know that we've got the Nationals here in town. It's exciting for the Nation's Capital to have the Nationals. And one of the reasons the Nationals are here is because of the Mayor. And so, Mr. Mayor, thank you for your leadership.

And City Councilwoman Carol Schwartz, who I referred to earlier—Laura, Carol, and I were raised in Midland, Texas. Pretty long odds for three people raised in Midland to end up in Washington in the Rose Garden, by the way. [*Laughter*] But welcome, glad you're here, Carol.

I want to thank the National Teacher of the Year finalists: Stan Murphy from California—San Diego, California; Vicki Goldsmith from Des Moines, Iowa; Tamara Steen from Washington State. We're proud you all are here.

And of course, Jason Kamras, who is standing right here. I want to welcome his parents, Linda and Marvin. Thank you for coming. Congratulations on raising such a fine man. And Jeremy—Jason allowed his brothers, Jeremy and Michael, to show up as well. [*Laughter*] I asked one of the boys if they ever thought Jason would amount to anything. He told the truth. [*Laughter*] Jason has proved you wrong. [*Laughter*]

I want to thank the 51 other State Teachers of the Year for being teachers and being such an accomplished teacher that you're being recognized here in the Rose Garden. We welcome you here. We

thank you for your compassion. And we welcome your guests as well.

We welcome Tom Houlihan, the executive director of the Council of Chief State School Officers, and we appreciate you sponsoring this event. We welcome Ernie Fleishman, the senior vice president of Scholastic, Inc., which is a sponsoring organization of this event. We welcome Tom McInerney, the CEO of ING U.S. Financial Services, which is one of the sponsors of this event. Obviously, this is a big event to have required three sponsors. [*Laughter*] We're glad you're here. We want to thank the chief State school officers who are here today.

I want to pay particular respect to an educational entrepreneur who has shown one person can make an enormous difference. Wendy Kopp, the president and founder of Teach For America, is with us. And we welcome you back to the White House, Wendy, and we're glad you're here. There is a reason why Wendy is here, which you will hear in a minute.

America's teachers help our students develop the schools—skills they need to succeed in our schools. That's what you do. You teach a child how to read and write, but you also teach a child how to think and hope. Teaching is a demanding job. It's an incredibly demanding job. And I hope our fellow citizens understand how hard it is to get to the classroom every day and to keep your spirits up, to keep your vision clear about what is possible, and to keep your patience. I'm sure we tested our—patience of our teachers a lot, Mayor, when you and I were growing up. [*Laughter*]

I appreciate the fact that good teachers instill a passion for learning. You know, passion is a powerful world—word, and that's why the teachers are here with us, because they have instilled a passion for somebody to go to class every day to learn. When young people become good students with big dreams, they become better citizens. Our country is better off as a result of our teachers instilling passion and hope.

We expect a lot from our teachers, and teachers have a right to expect a lot from us. Education is one of the top priorities of this administration and this Congress. That's why we passed the No Child Left Behind Act. People from both parties came together. I love the spirit of the No Child Left Behind Act. I suspect the teachers love the spirit of challenging the soft bigotry of low expectations. People believe that we ought to set high standards and believe that every child—and if you do believe every child can learn to read and write and add and subtract, it makes sense to determine whether they are, so we can—and if not, so we can solve problems early, before it's too late.

Because of teachers and hard work, because we expect every child to learn to read and write and add and subtract, there's an achievement gap in America which is closing. I can say it's closing because we measure to find out if it is closing. I'm proud to report that test scores are up. In fourth grade, math test scores are up across the Nation by nine points over the last 3 years. Eighth graders improved by five points over the same period of time. We're making progress.

There is more to do. Margaret and I believe we ought to build on this success by bringing higher standards and accountability to the Nation's high schools. I'm sure the Nation's finest teachers share our commitment that every student must be prepared for college and, therefore, prepared for the jobs of the 21st century, so we can say after it's all said and done, no child was left behind in our country.

One of the finest teachers in our country is with us today. He is the 2005 National Teacher of the Year, Jason Kamras. He teaches mathematics at John Philip Sousa Middle School, right here in the Nation's Capital. Jason joined the Teach For America program. He did so because he wanted

to show students, the so-called hard-to-educate, that with high works and high standards, they can overcome any challenge they face.

The Teach For America program asks for a 2-year commitment. Jason is now in his eighth year of that 2-year commitment. Because he chose to stay, countless students have better lives and they have a better future. He's usually at work at 7 a.m., and he rarely leaves before 7 p.m. He's had high expectations for himself, and he sets high expectations for his students. He works tirelessly to raise math scores, and his students are responding. Jason says, "Nothing surpasses the joy I feel when a student proclaims proudly, 'Mr. Kamras, now I get it.'" I suspect the teachers here understand exactly what he means by saying that.

Like all great teachers, Jason knows that his students' needs do not end when the school bell rings. He understands that at the end of the day, there's more work to be done. And so he cofounded a program called EXPOSE, which takes students out of their southwest Washington neighborhoods to places like the Lincoln and Jefferson Memorials or the National Gallery of Art.

Jason is also teaching his students how to produce photos about their lives and communities. I think you'll find it interesting to know that these photos have been shown at the Capital Children's Museum and other places around the District. In other words, Jason is building self-esteem.

When his students need individual attention, Jason is always there to support them, interestingly enough, even after they've left the school. I suspect this is some of your—some of you all share the same experience. When one of his former students was preparing for the SAT, Jason studied with him three times a week for 10 weeks. Isn't that interesting? The guy got a 1300 on the test. He now goes to Morehouse College in Atlanta. He's majoring in electrical engineering. He is the first person in his family to go to college.

He says, "I owe most of my success to Mr. Kamras. I do not know where I would be without him. He's more than a teacher to me. He is a true friend." Gosh, it must make you feel good as teachers to have somebody say, "You made a lot of difference in my life. You are a true friend."

Today America expresses its appreciation to Jason and to every one of our outstanding State Teachers of the Year. You give our young people the benefit of your knowledge, your support, your friendship. Your students are fortunate, really fortunate, to have you in their lives. And our Nation is fortunate to have you guiding the next generation of Americans.

God bless you all for your hard work. God bless your families as well. It is my honor to introduce the 2005 National Teacher of the Year, Jason Kamras.

NOTE: The President spoke at approximately 11:10 a.m. in the Rose Garden at the White House. In his remarks, he referred to Mayor Anthony A. Williams of Washington, DC; and Carol Schwartz, councilmember, Council of the District of Columbia. The transcript released by the Office of the Press Secretary also included the remarks of the First Lady and Mr. Kamras.

Remarks to the United States Hispanic Chamber of Commerce Legislative Conference

April 20, 2005

Thank you all. Thank you all for the warm welcome. Please be seated. Thank you. Thank you, Al, for your kind introduction. I've had this good man by my side for quite a while. When I was the Governor of Texas, we worked together. [*Applause*] There you go. [*Laughter*] And now as the President of these United States, I'm proud to serve with Al Gonzales as our Attorney General.

I want to thank you for allowing me to come and speak to the United States Hispanic Chamber of Commerce. It's an honor to be here. I see a lot of friends—I was going to say a lot of old friends, but—[*laughter*]—some of you are younger than I am.

I appreciate your hard work and your commitment to the entrepreneurial spirit of America. You know, one of the great things about our country is, the entrepreneurial spirit is strong. The dream of owning your own business is alive. The willingness for people to take risk is an important part of our society, and as a result, small businesses are being created throughout all our society, and the job base is increasing as a result.

I look forward to working with you the next 4 years to keep the prosperity of our country going. We share a common goal to make sure the American Dream is available for all. *El Sueno Americano es para todos.* [*Laughter*] This is the land of opportunity, and it must remain the land of opportunity, where our origins matter less than our aspirations. And this country's success depends not on accident of birth but on personal effort and drive and determination. And so I'll continue to work with you to create a society where personal effort is rewarded and opportunity is within the reach of every one of our citizens.

In order to make sure opportunity is within the reach of every one of our citizens, we've got to have an economy that continues to grow and expand. Today I have come to talk about ways to make sure our economy continues to grow and expand, with special emphasis on an energy policy. To create jobs and prosperity in a new century, energy must be abundant and affordable for all our citizens. That means we've got to become less dependent on foreign sources of energy.

I appreciate Hector Barreto joining us today. He's been the Administrator of the Small Business Administration. Thanks for your good work. I want to thank the leadership of the chamber. Thank you all for having me. I appreciate the chance to come and talk about a really important part of making sure America stays competitive and jobs continue to grow, and that's a sound energy policy. I want to thank the members of the Hispanic Chamber for allowing me and Al to come by to say hello.

You see, one of the things I do want to share with you is we've got an ambitious agenda to keep the country safe and prosperous and free. The war on terror continues. We're still at war. There is an enemy that still would like to harm America, an enemy which hates what we stand for. I can assure you that this administration will be relentless, untiring in our efforts to bring the enemy to justice. We will work with our friends and allies to keep the pressure on these people. Our most important job in America is to keep this country secure, and that's exactly what we'll work hard to do.

I'll work with Al and other members of my Cabinet to make sure that we do everything we can to improve the security at home. But I want you to know what I think. I think in the long run, the best

way to protect America, the best way to spread the peace, the best way to leave a legacy for our children and grandchildren is to spread freedom around the world. I do not believe freedom is America's gift to the world. You've just got to know that about our foreign policy. I do believe that freedom is a gift from the Almighty to each person in this world. And I know that free societies will be peaceful societies.

At home, we'll continue to pursue progrowth economic policies so that America is the best place in the world to risk capital and do business. Listen, we have faced a lot; you know it just as well as I have. You have been on the frontlines of job creation. You understand what this economy has been through. We've been through a stock market decline. We have been through corporate scandals. We've been through a terrorist attack. We've been through a recession and an ongoing war. But we have confronted the challenges head-on. This economy of ours today is the fastest growing of any major industrialized nation. Economists see solid growth for the years ahead, and that's positive.

I don't know if you know this or not, but we've now added more than 3 million jobs over the past 22 months. Today, more Americans are working than any time in our Nation's history. The unemployment rate amongst Hispanics has dropped to 5.7 percent—a figure still too high, but that is down from 8.4 percent over the past 2 years. Today, more Hispanics own their own homes than ever before in our Nation's history. The Small Business Administration is lending to Hispanic-owned companies a lot. The lending has nearly doubled since I took office in 2001. The thing about the Hispanic community that I know well—I was taught this by a lot of my friends in Texas—is that the entrepreneurial spirit is strong in the Latino community. There are a lot of great businessowners and risktakers, people who know what they're doing when it comes to running a business and creating jobs.

And so one of the things that you must ask about people in Washington, DC: One is, do you understand that; and two, if you do, how are you going to make sure opportunity continues to grow? What are you going to do to make sure that our economy is strong today and strong tomorrow? It's hard to be a successful entrepreneur if the economy is in the doldrums.

So here are some ideas that I want Congress to listen to. One, in order to help small businesses, Hispanic small businesses grow, we've got to make sure small businesses are allowed to pool risk, come together and to join in associations across jurisdictional boundaries, so small businesses can buy insurance at the same discounts that big businesses are able to do.

Senator Jim Talent from Missouri, who is one of the leading advocates of association health plans, plans that will enable small businesses to better afford health care, was to be here; he got called away for a vote. I excuse him—[*laughter*]—so long as he votes the right way. [*Laughter*]

Many small businesses are organized as subchapter S corporations or limited partnerships and therefore pay tax—income tax on the personal scales—personal income tax scales. So when we reduce personal income taxes, we reduce the taxes on many Latino-owned businesses around the country. And in order to make sure this economy continues to grow, we have got to keep taxes low on the job creators of America.

We'll continue to work to protect small business from needless regulation and from the burden of junk lawsuits. We need an immigration reform plan that does not grant amnesty but does match willing foreign workers with willing American employers when no Americans can be found to fill the job.

We need to continue to knock down trade barriers across the world so we can open up new markets for America's entrepreneurs. To create jobs and to strengthen democracy in our hemisphere, the Congress

needs to pass the Central American Free Trade Agreement.

To guarantee Americans a secure and dignified retirement—I'm talking about younger Americans, not baby boomers like me and you; we're fine when it comes to Social Security—but to make sure that younger Americans aren't saddled with enormous tax burdens, to make sure that there is—that unfunded liabilities don't loom over the capital markets, we need to modernize the Social Security system for our children and our grandchildren.

As we grow the economy, we need to be responsible stewards with your tax—with your money, see. And that's why I submitted a disciplined Federal budget. Both the House and the Senate have passed budget resolutions. Congress needs to get together and iron out their differences and sends me a budget that meets priorities, restrains Federal spending, and keeps us on track to cut the deficit in half by 2009.

Here's what I think—and I think it makes sense; as taxpayers, you should think it makes sense—a taxpayer dollar must be spent wisely or not at all.

To keep this economy growing, we need to ensure our Nation has an affordable, reliable, and secure supply of energy. Today, millions of American families and small businesses are hurting because of higher gasoline prices. If you're trying to meet a payroll or trying to meet a family budget, you know that even small changes at the pump can have a big impact on your bottom line. If you're a businessowner who has to make the choice between adding a new worker or paying a higher energy bill, you're going to be doing a lot less hiring.

Last week, I had the honor of paying tribute to some of our troops in Fort Hood, Texas. I sat down at a table with a bunch of the enlisted personnel, and we were talking about what's on their mind. A guy said, "Why don't you lower gasoline prices, Mr. President?" [*Laughter*] I said, "I wish I could. I wish I could simply wave a magic wand and lower gas prices tomorrow. I'd do that." Unfortunately, higher gas prices are a problem that has been years in the making. One of the things we can do to try to help in the immediate term: We can encourage oil-producing countries to maximize their production overseas; we can make sure consumers are treated fairly, that there's not price gouging. But we must act now to address the fundamental problem. Our supply of energy is not growing fast enough to meet the demands of our growing economy.

Over the past decade, America's energy consumption has increased by more than 12 percent, yet our domestic production has increased by less than one-half of 1 percent. That means that our Nation is more and more reliant on foreign sources of energy. At the same time, the global demand for energy is growing faster than the global supply, which has contributed to a steep rise in the price of crude oil, which is the feedstock for gasoline. Because our foreign energy dependence is growing, our ability to take actions at home that will lower prices for American families is diminishing. Our dependence on foreign energy is like a foreign tax on the American Dream, a tax our citizens pay every day in higher gas prices, higher cost to heat and cool their homes, a tax on jobs. Worst of all, it's a tax increasing every year.

For the sake of American workers and families, we have got to reduce our dependence on foreign sources of energy. It's a matter of economic security, and it's also a matter of national security. When America depends on only a handful of countries for nearly 60 percent of our oil, the danger of major energy disruption grows. Some of you are old enough to remember the seventies, when we rationed gasoline. The President of the United States and Congress have a responsibility to make sure America never returns to those days, and we've got to meet that responsibility.

Here in Washington, we have got to meet the responsibilities before us and not

duck behind partisan politics. And the problem is clear. This problem didn't develop overnight, by the way, and it's not going to be fixed overnight. But this problem—to solve the problem, the Nation has got to make a decision. Members of Congress must decide: Do we want to continue growing more dependent on other nations to meet our energy needs, or do we want to take the necessary steps to achieve greater control of our economic destiny? Those are the questions before us.

I have my opinion. I believe America should not live at the mercy of global trends and the decisions of other nations. For more than a decade, this country has not had a comprehensive national energy policy, and now is the time to change it.

That's why one of the first things I did when I came to office 4 years ago was to develop a national energy strategy. My first month in office, I sent Congress a plan to put America on the path to greater energy security. For 4 years, Congress has discussed and debated, but they haven't achieved any results. Today Members of Congress began debating an energy bill, and this time they need to give us one. The summer travel season is fast approaching. Gas prices are on the minds of millions of Americans. Members of Congress can send an important signal that they are serious about solving America's energy problems by getting a bill to my desk before the summer recess.

The Congress needs to send a sound energy bill that meets four important objectives. First, the energy bill should encourage the use of technology to improve conservation and efficiency. Today, the average American home loses between 10 to 50 percent of its energy through inadequate insulation and inefficient lights and appliances. Think about that: We lose 10 to 50 percent of its energy through inefficiencies.

The energy bill Congress is now considering would extend the Energy Star program that encourages the sale and production of energy-efficient products like superefficient refrigerators that use less energy than a 75-watt light bulb. It would encourage energy efficiency and renewable energy research that would one day lead to zero-energy homes that produce as much energy as they consume.

If we want to become less dependent on foreign sources of energy, we've got to conserve better. And we know from experience we can do this. Over the last 25 years, our economy has grown by 110 percent, while our energy consumption has grown by only 24 percent. We have become more efficient as a nation, and there's more we can do. And the bill in front of Congress encourages conservation and efficient use of energy.

Secondly, as we promote conservation, the energy bill must also expand domestic energy production in environmentally sensitive ways. We have the most innovative economy in the world. America must put its innovative spirit to work to make sure we can find and use resources in a better way. And we can begin by making sure we can use our most abundant energy source in a smart way.

Our most abundant energy source is coal. We have enough coal to last for 250 years, yet coal also presents an environmental challenge. The energy bill now being considered before Congress would help us make cleaner use of this resource by authorizing more than a billion dollars for the Clean Coal Power Initiative, a program that will encourage new technologies that remove virtually all pollutants from coal-fired powerplants.

To achieve greater energy security, we have got to harness the power of clean coal. We should also open up new areas to environmentally responsible exploration for oil and natural gas, including the Arctic National Wildlife Refuge.

The Department of Interior estimates that we could recover more than 10 billion barrels of oil from a small corner of ANWR

that was reserved specifically for energy development. ANWR consists of 19 million acres of land. Technology now makes it possible to reach ANWR's hydrocarbons by drilling on just 2,000 acres of the 19 million acres of land. That's just one-tenth of 1 percent of ANWR's total area. And we can reach ANWR's oil deposits with almost no impact on land and local wildlife. It's important for our citizens to understand how much technology has changed. Developing this tiny section of ANWR could eventually yield up to a million barrels of oil a day. Do you realize that that's more than half of what we import each day from Venezuela, for example? The more oil we can produce at home in environmentally sensitive ways, the less dependent we are on foreign sources of energy.

With oil at more than $50 a barrel, by the way, energy companies do not need taxpayers-funded incentives to explore for oil and gas. To expand domestic energy production, we need to expand our use of nuclear power. Today, nuclear power provides about 20 percent of our Nation's electricity. It produces without pollution or greenhouse gases. Congress needs to send me an energy bill. If we're serious about diversifying away from foreign sources of energy, Congress needs to send me a bill that includes liability protection and regulatory certainty for nuclear powerplants.

Third, as we increase domestic production of existing resources, an energy bill should also help us diversify our Nation's energy supply by developing alternative sources of energy. If future generations can count on energy in different forms, they're going to be less vulnerable to price spikes or shifts in supply of any one form of energy.

The energy bill should encourage greater use of ethanol. And I like the idea of people growing corn that gets converted into energy. Somebody walks into the Oval Office and says, "There's a lot of corn being grown, Mr. President." Hopefully, that one day will mean we're less dependent on foreign sources of energy. The more corn there is, the more we have to eat. The more corn there is; the more energy there is. And so the bill includes moneys for research to make sure we use ethanol. Incredibly enough, we may be able to get ethanol from municipal waste dumps or forests.

In our budget, we've got $2.5 billion in tax credits for the purchase of hybrid vehicles. In other words, we're beginning to diversify away from old habits. Hybrid vehicles are a part of becoming less dependent on foreign sources of energy.

An energy bill should also help advance another vital project, the project I outlined in the State of the Union Address, the hydrogen fuel initiative. Two years ago, we launched a crash program to develop hydrogen-powered fuel cell vehicles. We've dedicated $1.2 billion over 5 years to this effort. We know that when hydrogen is used in a fuel cell, it has the potential to power anything from a car to a cell phone to a computer, that emits pure water instead of exhaust fumes.

The energy bill, if they get it to my desk, will authorize vital funds to help move hydrogen-powered cars from the research lab to the dealership lot. With investment now, we can make it possible for today's children to take their driver's test in a completely pollution-free car.

An energy bill should also provide tax credits for renewable power sources such as wind and landfill gas. By harnessing innovative technologies, we can ensure a cheaper, cleaner, more abundant supply of energy for all Americans.

Fourth, as we diversify our energy supply, we need an energy bill that will help us modernize our domestic energy infrastructure. In some parts of the country, homes and businesses are receiving 21st century power through infrastructure built decades ago. Transmission lines and pipelines and generating facilities are deteriorating here in America. Different regions

share electricity over unreliable transmission lines. And these strains on the system are leading to higher prices, bottlenecks in delivery, and inefficient use of energy, which we can no longer afford. And just when one piece of the power grid fails, the result can be darkness across the map, as we learned a couple of years ago. And that hurts small businesses. It makes it harder to risk capital. It affects job creation. The problems can be solved. Congress needs to act.

Current law makes it optional, rather than mandatory, for power companies to ensure reliability across the electricity grid. Most of you consider it mandatory for a light to come on when you flip the switch. The Congress should too. [*Laughter*] An energy bill should repeal outdated rules that discourage investment in new power infrastructure, should encourage the development of new technologies such as superconductive power lines to make the grid more efficient. In other words, we're dealing with old laws that need to be changed and modernized for the sake of job creation and job growth.

And to keep local disputes from causing national problems, Federal officials should have the authority to site new power lines. We have modern interstate grids for our phone lines and highways. It's time for America to save energy by building a modern electricity grid as well.

The energy bill now before Congress contains the elements of the strategy I just outlined. But it's 4 years behind schedule, and now it's time for Congress to pass it. I met yesterday with leaders from both parties who are going to shepherd the energy bill through the House and the Senate. I appreciated the bipartisan discussion we had. I appreciated the spirit of trying to get something done. I urged the House and the Senate to get the bill by August. I also told them that we would help them work out differences, come up with reasonable compromises on an issue such as MTBE. In other words, I said I understand how important it is to get this moving, and so does Congress need to understand how important it is to get this bill moving.

All measures that I've discussed with you today are designed with one overriding goal, to address the root causes of higher energy prices and to address our dependency upon foreign sources of energy.

We're in a situation today because for more than a decade, our Nation has not had a comprehensive energy strategy. And we need one now, and passing the bill is the first step. An energy bill wouldn't change the price at the pump today. I know that, and you know that. It will help us make better use of the energy supplies we have. It will make our supply of energy more affordable and more secure for the future.

I've set big goals for this policy; I understand that. You think about how comprehensive the strategy is I outlined to you. There's a lot we can and will do, and I'm confident we can meet those goals. History has shown us, the American innovative spirit is never in short supply. And I know we can harness this spirit in this new century. What I'm talking about is making sure that we leave our children and grandchildren a cleaner, healthier, and more secure America, an America that is less dependent on sources of energy from overseas.

And to achieve these goals, I'm going to need your help. As you work the Halls of Congress—and I know you're pretty darn good at it—[*laughter*]—I would like very much for you to visit with the Congress and urge them to get an energy bill passed, urge them to rise above the kind of partisan bickering that sometimes dominates Capitol Hill and focus on this country's interests. And it is in this interest to get me an energy bill I can sign by August of this year.

Thank you for giving me a chance to come by to visit with you. *Que Dios los bendiga.* Thank you all.

NOTE: The President spoke at 1:11 p.m. at the Ronald Reagan Building and International Trade Center. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks on Signing the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005

April 20, 2005

Thank you all. Please be seated. Welcome. Thank you very much for coming today. Today we take an important action to strengthen—to continue strengthening our Nation's economy. The bipartisan bill I'm about to sign makes commonsense reforms to our bankruptcy laws. By restoring integrity to the bankruptcy process, this law will make our financial system stronger and better. By making the system fairer for creditors and debtors, we will ensure that more Americans can get access to affordable credit.

I'm pleased to be joined today by the Attorney General Al Gonzales. I want to thank the bill sponsors in the House and the Senate. Senator Chuck Grassley of the Senate—I think you told me you'd been working on this bill for 9 years. That's a long time. [*Laughter*] I appreciate Congressman Jim Sensenbrenner from the House for being the sponsor in the House. Thank you.

I want to thank the Speaker. Yesterday, the Speaker and I, by the way, had the honor of opening the Lincoln Library in Springfield, Illinois. I know he'd be pleased to hear me say, "If you're looking for something to do this summer"—[*laughter*].

I thank Senator Mitch McConnell, Senator Orrin Hatch, Senator Jeff Sessions, and Senator Tom Carper. I appreciate the Members of the House who are here, Mike Oxley, Rick Boucher, Bob Goodlatte, Steve Chabot. Thank you all for coming, and thanks for working on this piece of legislation.

Our bankruptcy laws are an important part of the safety net of America. They give those who cannot pay their debts a fresh start. Yet bankruptcy should always be a last resort in our legal system. If someone does not pay his or her debts, the rest of society ends up paying them. In recent years, too many people have abused the bankruptcy laws. They've walked away from debts even when they had the ability to repay them. This has made credit less affordable and less accessible, especially for low-income workers who already face financial obstacles.

The bill I sign today helps address this problem. Under the new law, Americans who have the ability to pay will be required to pay back at least a portion of their debts. Those who fall behind their State's median income will not be required to pay back their debts. This practical reform will help ensure that debtors make a good-faith effort to repay as much as they can afford. This new law will help make credit more affordable, because when bankruptcy is less common, credit can be extended to more people at better rates.

The new law will also require credit card companies to let card holders know up front what they are expected to pay and what the penalties they will face if they are late on a payment. When people get a credit card, they should not be trapped by a provision in the fine print.

To make the system more fair, the new law will also make it more difficult for serial filers to abuse the most generous bankruptcy protections. Debtors seeking to

erase all debts will now have to wait 8 years from their last bankruptcy before they can file again. The law will also allow us to clamp down on bankruptcy mills that make their money by advising abusers on how to game the system.

America is a nation of personal responsibility, where people are expected to meet their obligations. We're also a nation of fairness and compassion where those who need it most are afforded a fresh start. The act of Congress I sign today will protect those who legitimately need help, stop those who try to commit fraud, and bring greater stability and fairness to our financial system. I'm honored to join the Members of Congress to sign the Bankruptcy Abuse Prevention and Consumer Protection Act.

NOTE: The President spoke at 2:42 p.m. in Room 350 of the Dwight D. Eisenhower Executive Office Building. S. 256, approved April 20, was assigned Public Law No. 109–8.

Remarks on Presenting the Commander in Chief's Trophy to the United States Naval Academy Midshipmen
April 20, 2005

Thank you. Please be seated. Welcome to the Rose Garden. It is my honor to welcome the Midshipmen of the United States Naval Academy back here again. Coach Johnson told me last year—he said, "Don't worry about it, Mr. President, we'll be back." [*Laughter*] I like a man who keeps his word. [*Laughter*]

The football rivalry of our military academies is one of the great American sports traditions. Once again, the Midshipmen set a standard of excellence on the field. This team is tough; it is talented; and you knew how to win. You whipped the Air Force Academy in the field goal in the last minute. I was there when you beat Army. [*Laughter*] And you won the Commander in Chief Trophy again.

I want to thank our guests who are here. A Member of the United States Senate is on his way who is a huge Naval Academy supporter, and that would be Senator John McCain. He will be here soon. I appreciate Mike McIntyre from North Carolina joining us. Congressman, thank you for being here. I appreciate Michael Steele, the Lieutenant Governor from Maryland. I appreciate Gordon England, who's the Secretary of the Navy, soon to be, upon Senate confirmation, the Deputy Secretary of Defense. We're glad you're here, sir. And I appreciate Vice Admiral Rod Rempt for your hospitality at the games.

Coach Johnson, welcome back. Congratulations on the award you have won. There's nothing like a good team to make you look good. [*Laughter*]

This team will be well-represented in the Navy record books. You won more games than any Navy team in 99 years. That's a long time. [*Laughter*] The last time a team of Midshipmen won 10 games, the Commander in Chief was Theodore Roosevelt, who, by the way, built the West Wing. You finished the season ranked number 24 in the polls. The last time that happened, that you were in the top 25, was 1979. None of the players on this team had been born then. You earned a trip to the Emerald Bowl in San Francisco, and you beat New Mexico for your first bowl victory in 9 years.

You also set—Senator John McCain. Thank you, sir. Thanks for coming. The thing McCain loved about the Naval Academy was, he got to study all the time. [*Laughter*] He and I have both showed that

if you—people with C averages can succeed. [*Laughter*] Welcome.

The interesting thing about the football game at the Emerald Bowl was this—I happened to watch it—it was the drive that lasted 14 minutes and 26 plays—like he kind of redefined the definition of ball control. The team was a source of pride for the brigade of Midshipmen and for Navy fans everywhere. The seniors on this team led one of the most dramatic improvements in college football history. Navy went 0 and 10 during your plebe year, and 10 and 2 this year.

I'd like for the record to show that your turnaround started the year I delivered the commencement. [*Laughter*] I'm not, like, taking any credit for it. But I do appreciate the invitation to come back, and I'm looking forward to giving the commencement address this year at the Naval Academy.

You've inspired fans everywhere, so much so that Josh Smith's hometown radio broadcast the Navy games. And by the way, that radio—that hometown is in Indiana.

The lessons you learned on the football field will prepare you for helping us win the war on terror. Midshipmen, you've developed leadership, teamwork, and strong character. You know the importance of setting high standards, and you know the importance of training hard to meet those standards. All these qualities will serve our Nation well as you become commissioned officers in the finest military the world has ever known.

We are still at war, and many of your former teammates are serving and sacrificing at this very hour. Marines and sailors are leading vital missions in Afghanistan and Iraq and elsewhere. They're interdicting shipments of deadly weapons. They're maintaining America's command of the seas. You're helping to protect this country, and the citizens of America are grateful.

We've lost some of our finest men and women in the war on terror, including several former Navy football players. Our Nation will always honor their sacrifice. The American people are safer and the world will be more peaceful because of the honor and courage and commitment of the United States Navy and Marine Corps.

I thank you all for volunteering to serve in a cause greater than yourself. I'm proud of what you have achieved on the football field. I am confident that your service will bring even greater achievements in the years ahead. It's an honor to be the Commander in Chief of such a fine group of people.

Congratulations again on winning the football trophy, the Commander in Chief Trophy. May God bless you all, and may God continue to bless the United States of America.

NOTE: The President spoke at 3:43 p.m. in the Rose Garden at the White House. In his remarks, he referred to Paul Johnson, head coach, and Josh Smith, safety, U.S. Naval Academy football team; and Vice Adm. Rodney P. Rempt, USN, superintendent, U.S. Naval Academy.

Remarks to the Independent Insurance Agents & Brokers of America Legislative Conference
April 21, 2005

Good morning. Thanks for the warm welcome. It's a little early for the Texas delegation. [*Laughter*] I hope you're behaving yourselves. I know you are, since Billy Gammon isn't here. [*Laughter*] I am

pleased to be with the Independent Insurance Agents & Brokers of America. Thanks.

Laura told me on the way over to give you all her best. Generally what happens when I mention her name, most people say, "Well, I wish you'd have sent her." [*Laughter*] She's doing great. She is a—really a fine person, a great mother, great wife, and a great First Lady for America. I'm a really lucky guy when she said yes when I asked her to marry me.

I really appreciate your inviting me, and I appreciate your work. I appreciate the way more than 300,000 of you around America help our fellow citizens—help our fellow citizens protect their property, help our fellow citizens provide for their families in case of calamity. Thanks for what you do. Thanks for being good stewards within the communities in which you live.

I oftentimes tell people that the great strength of America is not our military, although we'll keep it strong. The great strength of America is not the size of our wallets. The great strength of America is the hearts and souls of our fellow citizens who work in the communities in which they live to feed the hungry, provide hope for the hopeless, provide shelter for the homeless, who love a neighbor just like they'd like to be loved themselves. I know that's what you all do on a daily basis in the community in which you live, and thank you for making America a better place.

I welcome you to the Nation's Capital, where sometimes politics gets in the way of doing the people's business. Take John Bolton—he's a good man I nominated to represent our country at the United Nations. John's distinguished career and service to our Nation demonstrates that he is the right man at the right time for this important assignment. I urge the Senate to put aside politics and confirm John Bolton to the United Nations.

Politics in Washington has also made it hard for some to put aside their differences to come to the table to strengthen Social Security. And that's what I'm here to talk about today. I want to spend some time with you talking about the fact that Social Security is headed for deep trouble and that those of us who have been entrusted by the people to serve our country need to act now to make sure the Social Security system is there for our children and our grandchildren.

I want to thank Bob Rusbuldt for giving me a chance to come. I appreciate the invitation. I want to thank Tom Grau for his leadership role as well. But most of all, thank you all for your interest.

The men and women of the Big "I"—I think that's what you call yourselves—[*laughter*]—appreciate the principles that are important for a healthy and strong America. And I appreciate the principles that you stand for, planning for the future and providing Americans with more choices and working to get your friends and clients a better deal. I appreciate your commitment to standing with your clients until their claims are settled, to help people through the rough spots. You're ensuring the American Dream, and I appreciate that as well.

By protecting homes and the savings of millions of families, you're helping this Nation be more secure for a lot of folks. And that's what I'm interested in. I'm interested in a secure nation. I'm working to make sure this Nation is a prosperous nation. And we're working hard to spread freedom and the peace we all want.

We have an ambitious agenda here in Washington. There is a lot to do. The war on terror goes on. We're still at war. There is still a ruthless enemy that would like to harm our country. They want to do us harm because of what we believe. We stand for freedom and liberty and human dignity and the rights of minorities, the right for people to worship freely. And we're not going to change. And they don't like it. But we're going to keep pressure on them. We'll work with friends and allies. We will be unrelenting in our efforts to bring the

terrorists to justice, and we will not rest until America is safe.

In the long run, the best way to protect America is to change the conditions that give rise to hopelessness and extremism. That's the best way to protect generations of Americans to come. And the best way to change the conditions that give rise to hopelessness and extremism is to spread freedom.

I oftentimes tell audiences this—and it's important for our fellow citizens and people around the world to hear this—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. I believe all people desire to be free. I believe moms in the Middle East want their children to grow up in a peaceful world so their children can have—can realize their God-given potential. That's what I believe. And if you believe that, then you have an obligation to help spread that freedom. And freedom is on the march.

Incredibly exciting times to live in, when you think about what has taken place in a relatively quick period of time. The other day at the Lincoln Library opening in Springfield—and if you're here from Springfield or Illinois, you've got yourself a heck of a library. [*Applause*] You know what I'm talking about. Well, you don't know yet. Go see it, and then you'll know what I'm talking about. [*Laughter*] I said, sometimes freedom moves slowly, like water cutting through a rock. I said, but sometimes, when people see the example of courage, freedom moves like a wildfire.

Think about what's happened in a quick period of time. Afghanistan is free. Millions of people voted for a President, in spite of the fact that only a short time before that, they were under the brutal control of the Taliban. Or in Ukraine, when people went to the streets to demand free and fair elections—or Kyrgyzstan or in Lebanon. By the way, our message is very clear to Syria: Take out all your troops; take out all your intelligence services; and give the good people of Lebanon a chance to have free and fair elections.

The world saw the courage of those who have freedom etched in their soul in Iraq, courage of over 8 million citizens who are willing to defy terrorists and killers and car bombers, to say with a message that resonated around the world, "We want to be free. We're willing to take risks to vote." A free Iraq is important to America's security, is important for generations of Americans to come to have an ally in the war on terror, like Iraq. Today, the people of Iraq decide the fate of their Government and not the other way around.

I look forward to working with the new Government of Iraq. I look forward to working with those who have been chosen by the people to meet the challenges that this country faces. As Iraqis stand up for their freedom, this country will stand with the people of a free Iraq. As a new Government assumes increasing responsibility for their country, security operations are entering into a new phase. Iraqi security forces are becoming more self-reliant; they're becoming better at what they do. They're taking on greater responsibilities, and that means America and its coalition partners are increasingly playing a more supportive role.

Today—I don't know if you realize this or not—over 150,000 Iraqi security forces have been trained or equipped. For the first time, the Iraqi army, police, and security forces now outnumber U.S. forces in Iraq. We're working on establishing chains of command. We're working to make sure civilian government understands that there needs to be stability in the security forces. Like free people everywhere, Iraqis want to be defended and led by their own countrymen. That's easy to understand that thought and desire. And that's what we want. That's the strategy of the United States. And so we'll help them achieve this objective so they can secure their own nation. And when they're ready and

equipped, our troops will come home with the honor they have earned.

We've got a lot of work to do to spread freedom abroad, and we've got work to do to pursue progrowth economic policies here at home. And our goal is pretty clear: We want America to be the best place in the world to do business. That's what we want. We want it to be the best place to risk capital. We've overcome a lot. We've overcome a recession and a terrorist attack and corporate scandals and war. But our economy is growing.

Let me tell you what I think we need to do to continue to grow our economy so people can realize their dreams. First, one of the heaviest burdens on business is the litigations costs in America. Recently I was proud to sign the Class Action Fairness Act, a good piece of legislation. It was a critical first step toward ending the lawsuit culture in our country. Class-action reform succeeded because members of both parties saw a serious problem and joined together. That's a hopeful accomplishment in a town too often bitterly divided because of politics. And so my message to the Congress is: Stay focused on what you can do. Now we can do more work on—when it comes to legal reform.

We need to take action on asbestos legal reform. We need to make sure health care is available and affordable, and one of the ways to make sure health care is available and affordable is to do something about the junk lawsuits that are running good doctors out of practice.

You know, when I first came to Washington, I thought medical liability reform would—could best be handled at the State level, until I realized what the cost of the defensive practice of medicine, the cost of settling lawsuits, the rising costs of premiums do to the Federal budget. I mean, if you think about the cost in the Federal budget and the cost of frivolous lawsuits in the Federal budget, you begin to recognize why I think it's now a national problem.

Listen, we pay for Medicare; we pay for Medicaid; we pay for veterans' health benefits. All those costs are affected by junk lawsuits. Medical liability reform is a national problem that requires a national solution. And now is the time for the United States Senate to listen to doctors and patients and concerned citizens, not to the powerful trial lawyer lobby, and get me a medical liability bill.

I also understand the importance of small business in creating jobs in our country. That's why I worked with Congress to help reinvigorate our economy, to help strengthen the entrepreneurial spirit by enacting the largest tax relief in a generation. It's important to have certainty in the Tax Code. Congress must understand that. And that's why I've been urging to make sure that Congress makes the tax relief we passed permanent.

Today, in large part to small businesses such as—like yours, more than 3 million new jobs have been added to our economy since May of 2003. Today, more workers—more Americans are working than ever before in our Nation's history. I applaud the House of Representatives for taking the side of small businesses last week for voting to repeal the death tax. The death tax results in unfair double taxation. They tax your assets while you're alive; then they tax your assets when you're dead. [*Laughter*] I believe we ought to bury the death tax forever. By doing so, it will inject vital life into the small-business community; it will increase fairness in the Tax Code; it will help promote economic security. The Senate—the Senate needs to join the House in repealing the death tax forever.

I want to spend a little time with you on Social Security. You know, I know this is one of these issues that some wish I hadn't have brought up in Washington. It's one of these issues that I suspect some of them are really saying, "Gosh, I wish the President hadn't decided to take this issue on." I campaigned on the issue. I said to the American people, "If you give

me a chance to serve, I will bring this issue to focus." That's what I said in campaign stop after campaign stop, "Just give me a chance, and I'm going to talk about reforming the Social Security system." I'm confident Members of Congress, when they really think about that, will say, "Gosh, it's good to have a President who does in office what he said he would do on the campaign trail."

I also believe it is my duty and my obligation as your President to confront problems now and not pass them on to future Presidents and future generations. That's why I've traveled the last few weeks to over 22—to 22 States, talking about Social Security. I mean, I have a strategy. First, I want to lay out to the American people we have a problem, because I believe once the American people hear the problem, they're going to then say to those of us who have been elected, "What you going to do about it?" So I'm going to spend a lot of time talking about this issue.

You see, I think it's—and the reason why is because I know how important Social Security is to the country. Franklin Roosevelt did a good thing when he created the Social Security system in 1935. I'm sure you've got relatives who depend upon the Social Security check. I meet people all the time in our country who say, "You've got to understand, Mr. President, how important that check is to me." There's a lot of folks in this country who count upon that check when it arrives. In other words, the system has provided an important safety net for a lot of our fellow citizens.

And so the seniors who receive their checks must hear this loud and clear: Don't fall prey to the propaganda, those who are trying to scare you when there's talk about making sure the Social Security system is modern. If you're receiving a check from Social Security today, you'll receive a check next month and the next month after that and for every month you're alive. The Federal Government will keep its commitments to the seniors who are relying upon Social Security. If you were born before 1950, you're in good shape with the system as it exists today. You're going to get your check.

The problem is, our Government has made promises to younger Americans that it cannot keep, and that's important for our fellow citizens to know. It's important for them to know that there is a hole in the safety net. The safety net for citizens who retire is in good shape if you've been born before 1950. If you were born after 1950, you better pay attention to the issue.

First, as I travel the country, I find out some people think there's such a thing as a Social Security trust. By that I mean we collect your money through the payroll tax, and we hold your money for you, and then when you retire, we give you your money back. No—[*laughter*]—that's not the way it works. That's what you call a—it was set up as a pay-as-you-go system. In other words, you pay, and we go ahead and spend. [*Laughter*] You pay through payroll taxes, and we spend your payroll taxes on making sure we cover the benefits of the retirees. And with the money leftover, like there's money leftover now, we spend it on other Government programs. So instead of having a trust, we have a pay-as-you-go system, and that which exists in the system is a filing cabinet, or a series of filing cabinets, full of IOUs. In other words, we've got paper.

And the reason I bring this up to you is that it's really important for our citizens to understand how the system works, first and foremost. In other words, when you're talking about strengthening and modernizing, you've got to understand that all that is left over in the system today is paper.

This pay-as-you-go system worked just fine for a while. In 1950, there were 16 workers paying taxes for each beneficiary. That's not a very heavy load for a worker to pay one-sixteenth of the promise to the beneficiary. Today, there's 3.3 workers per beneficiary. By the time our children and

grandchildren retire, there will be 2 workers for every beneficiary. So you're beginning to see, the math is changing for Social Security—fewer people paying in the pay-as-you-go system per beneficiary, but that is only part of the problem.

To compound the problem, baby boomers like me and a lot of you will be eligible to retire in 4 years. See, I'm turning 62 in 4 years. It's a convenient time, 4 years for me to retire. [*Laughter*] The retirement of baby boomers will have a huge impact on the pay-as-you-go Social Security system. And here's why: My generation is about 50 percent larger than my parents' generation. Today, there are about 40 million retirees receiving benefits. By the time all the baby boomers have retired, there will be more than 72 million retirees receiving benefits.

We're going to be living longer too. Medicine has changed to help us live longer. A lot of us are exercising a lot. I would strongly urge exercise if you want to live longer and make right choices for what you put in your body. But we're living longer than the previous generation.

And the problem even gets further magnified because Congress has made sure benefits to my generation grow faster than the rate of inflation or even the economy. In other words, people who ran for office said, "Vote for me; I'm going to make sure your benefits go up."

So think about what has taken place and what will take place relative to the pay-as-you-go Social Security system. You've got a lot of people retiring who are living longer, who have been promised greater benefits, with fewer people paying into the system. Those are the dynamics that have made this issue a critical issue, particularly for younger generations of Americans coming up.

Social Security system 3 years from now will start heading into the red. In 2017, Social Security will start paying out more in benefits than it collects in payroll taxes—the pay-as-you-go system, money coming in, money going out. More money will be going out than coming in in 2017, and every year thereafter, the situation gets worse. In other words, the cash deficit for that year accelerates. In 2034, the annual shortfall will be more than $300 billion. In 2041, the system will be broke—bankrupt. So we've got a problem coming down the road.

Now, I recognize here in Washington, 2017 may seem like a long way away. It's not all that far away. That's 12 years from now. If you've got a 6-year-old kid, your kid is going to be voting. If you think that's long, you haven't raised a kid yet. [*Laughter*] It happens just like that. If you're a grandparent, you're going to get your check. But you've got to be wondering about whether or not the burden is going to be so heavy on your grandchildren that the America they grow up in is going to be a country burdened by obligations that a Congress in 2005 was unwilling to confront.

You see, the longer we wait to fix this problem, the more drastic the solutions become. As a matter of fact, the Social Security trustees say every year we wait to fix the system will add an additional $600 billion to the cost of reform. In other words, if this city gets locked down because of politics, that lock-down costs a future generation $600 billion every year. In other words, we've got a serious problem. And the point the trustees make is, "Why don't you fix it now? Why don't you come together to get something done?"

If we wait—in other words, if you say, "Oh, gosh, well, it's too difficult to do," or, "We don't want to make so-and-so look good relative to such-and-such," if we wait, it's conceivable younger workers will have to have a payroll tax of about 18 percent in order to make good on the promises. That's not going to work, folks. If we wait, the benefits promised to a lot of folks are going to have to be slashed dramatically, or other Government programs affected.

So recognizing this problem, I stood up in front of the Congress at the State of the Union and said, "Here's the problem." I also said, "Bring forth your ideas." See, I don't view this as a Republican problem. I don't view it as a Democrat problem. I view it as a national problem that requires people to come forward, say, "Here's my idea," or "Here's another idea." We've had a lot of people starting to come forward.

People have come forward in the past. I was telling President Clinton when I traveled with him to the Pope's funeral—which, by the way, was a magnificent event. It was just unbelievably spiritual and—it was great, in recognition of a great man. But I said, "I remember your—I think it was 1996 townhall meeting in Albuquerque." He probably said, "What are you watching C–SPAN at such a late hour for?" But, anyway—[*laughter*]—and people were encouraged to bring forth ideas on how to permanently solve the Social Security problem. That was in '96.

Former Democrat Congressman Tim Penny has come forth with good ideas. I asked the late Senator Daniel Patrick Moynihan of New York to put together a bipartisan Commission to look at Social Security—this was in 2001. They came forward with a lot of good ideas. There's a Democrat Social Security expert named Robert Pozen who believes we ought to restructure benefits and be more generous to low-income workers. That's a good idea. All ideas are on the table. That's how you get the job done.

And when somebody puts an idea on the table, you can rest assured the White House will not attack them. And that's important for people to hear as well. Now is the time for a civil debate on how to solve this national problem. Now, I do believe the reforms ought to be guided by certain principles: We ought not to raise the payroll tax rate. Social Security must continue to provide dignity and peace of mind for those with lower incomes. That's an important principle for a good retirement system. We've got to make sure that the solution is a permanent solution, by the way, and not a temporary fix.

I really appreciated the spirit in 1983 of President Reagan and Speaker O'Neill and others who said, "We got a problem with Social Security. Let's come together and fix it." That's the kind of spirit that I'm confident will prevail eventually here in Washington. By the way, this is the 22d anniversary of the 75-year fix on Social Security. [*Laughter*] In other words, at the time they said, "We got us a 75-year fix." The problem is, 22 years later we're now talking about, let's make it permanent this time. And so, when Congress debates these issues, it's really important to make sure that we have a permanent fix, that we get it done once and for all.

I'm looking forward to hearing more good ideas as people discuss the issue. By the way, I'm encouraged; I believe we're going to get something done. After all, the United States Senate looked at the issue and passed a resolution that said we ought to fix Social Security permanently. That's an interesting vote. You had the two Senators from Texas voting yes and the two Senators from Massachusetts voting yes. That's called bipartisanship. [*Laughter*] See, they made it clear; they're on record. Every single United States Senator is on record supporting a permanent fix for Social Security. And now those Senators need to keep their word and make Social Security solvent once and for all.

Bringing permanent solvency to Social Security is an important start, but it's only part of our duty. Preserving Social Security should not mean preserving its problems. Today, we have an opportunity—as we permanently solve Social Security, we have an opportunity to make—to give younger Americans a better deal when it comes to the Social Security system. And I want to spend a little time talking to you about what I mean by that.

See, I think we ought to give every American the opportunity to own assets.

I love the concept of spreading ownership throughout America. And I know we've got to give younger Americans the opportunity to tap into the power of compound interest so they have a chance to get a higher rate of return on their own money, on their own assets than the current system allows. Sometimes in Washington, we seem to forget whose money we spend. You see, those payroll taxes, that's not the Government's money. The payroll taxes are the hard-working people's money. And it seems like it makes sense to me to give the hard-working people a chance to earn a better rate of return on their money than the Government does.

And so I think we ought to give younger workers the opportunity to save, in the Social Security system, through what's called a personal retirement account. Essentially, that would be a conservative mix of bonds and stocks that grows over time. Today, the real rate of return in the Social Security for your money is about 1.8 percent. At that rate, it will take you nearly 40 years to double your money. If you put the money in the market and get a 4-percent return, your money will double in about 18 years. If you get the historical market average of 7 percent, your money will double in just over 10 years. That's what's called the miracle of compound interest at work.

We have a fellow with us today named Wright Noll. He's 67 years old. He's married with five children. He spent about 30 years as a schoolteacher and an assistant principal and most of that time in Bend, Oregon. By the way, it's a nice place to live, right? He took what you might call a sabbatical and spent 6 years as a dairy farmer. This guy is a hard-working guy. At one point he held three jobs.

Wright says he paid roughly the same amount of money into both Social Security and the Oregon State pension plan for government employees. Unlike the money Wright put into Social Security, the money he paid into Oregon's plan was saved and invested. As a result, the money in the Oregon plan benefited from the power of compound interest, and he got a better—bigger retirement check. Today, Wright's monthly Social Security check is about $1,152 a month; his monthly check from the Oregon retirement system is nearly $5,400. That's the power of compound interest.

When, he said, he started getting his retirement checks, he went out and bought himself five brand new shirts. [*Laughter*] He said, "I never did that before because, being a schoolteacher with five kids, you have to shop at the used clothing store."

I appreciate you coming, Wright. I appreciate you letting me use you as an example of missed opportunity for a lot of people because of the way the current system is structured. You see, I think we need to give everybody a chance, if they so choose, to put some of their money in a personal savings account, a conservative mix of bonds and stocks, so they can get a better rate of return on their money. It's a voluntary idea. I mean, Government ought to not mandate this idea. But Government ought to say, "We ought to give you the opportunity, give you a chance, if you so desire."

In my proposal to Congress, I said, "Well, why don't you let a person set aside a third of their payroll tax into a personal savings account?" Let me give you what that would mean for a younger worker who earned $35,000 over his or her lifetime. If you allow that person to set aside a third of their payroll taxes with a reasonable rate of growth on their money, that person earning that amount of money over their lifetime would have a nest egg of about $250,000 upon retirement. That would be a nice addition to other Social Security benefits. It's a part of the retirement plan. That would mean that person would have their own assets. Their asset wouldn't be tied up in a file cabinet in West Virginia. Their asset would be theirs to call their

own, an asset they can pass on to a—to whomever they choose, a son or a daughter.

These voluntary accounts would—obviously, you'd have strict guidelines. You couldn't take your money and put it in the lottery. In other words, there's go-bys. There's a—the investment vehicles are conservative in nature. You've got to make sure your—we'll make sure the earnings aren't eaten up by hidden Wall Street fees, make sure there's good options to protect investments from sudden market swings on the eve of retirement. That happens all the time in the financial community, where if a person is getting ready to retire and wants to convert from stocks and bonds to annuities—it happens all the time. You know what I'm talking about; you do it all the time in advising people.

These accounts will offer straightforward investment choices that are easy to understand. And I'm not talking about something new here. This isn't a new invention. In Ohio—if you're from Ohio, you know what I'm talking about—thousands of government employees at the State, county, and local level have personal retirement accounts as part of their retirement system. I just went to South Carolina; all new State employees can choose between their traditional retirement plan and a personal retirement account with a conservative mix of bonds and stocks to deliver a better rate of return for them.

I don't know if you know this or not—Congress knows it—Federal employees, including Members of the United States Congress, have the option of taking some of their money and putting them into a conservative mix of bonds and stocks. They've got the opportunity to do that. Do you know why they gave themselves the opportunity? Because they want to get a better rate of return on their money. I believe if this opportunity to put aside personal savings account—money in a personal savings account is good enough for the United States Congress, it's good enough for working people all across the United States.

Do you know what's really interesting about today's society? Some of you older fellows out there probably didn't spend much time talking about 401(k)s, when we were in our twenties—or IRAs. I mean, the investment world has changed, hasn't it? It really has. I mean, there's a lot of young people who are comfortable with the idea of taking some of their own money and watching it grow. They're used to making decisions about their money. I mean, after all, the world really has changed when it comes to retirement plans and companies trusting people with their own decisionmaking. Offering young workers a 1930's-era retirement system is like trying to persuade them that vinyl LPs are better than iPods. [*Laughter*]

Voluntary personal accounts are a way of bringing Franklin Roosevelt's promises of retirement into the 21st century. Creating accounts will give children and grandchildren a chance to replace a burden of uncertainty with new opportunity. Instead of leaving their full retirement, all their retirement in the hands of future politicians, younger workers will be able to take part of their retirement in their own hands. I like that idea.

Instead of sending their money to Washington so politicians can spend it, younger workers will be able to put part of their money into an account they own that nobody can take away from them. Instead of forfeiting years of Social Security contributions if they die before retirement, which happens in the current system, younger workers would have peace of mind that their personal accounts could be passed on to a loved one.

My administration works hard to spread ownership throughout America. I want more people owning their own home. I want more people owning their own small business. I want more people owning a piece of their retirement, because I know that when a person owns something, they have a vital stake in the future of this country. And ownership should not be confined

to just a few people in our society. Owning an asset and being able to pass it on to your son or daughter should not be the purview of a few. In this great land, ownership ought to be spread to everybody—every single person.

As Wright Noll will tell you, the power of compound interest is important as well. He sees it every month in the checks he gets. Members of Congress need to listen to the people. A lot of people in America now understand we have a problem. A lot of people are sorting through the data. They're listening to the debate. They're hearing all the noise coming out of Washington. But they're hearing we got a problem. I'm going to keep talking about it over and over again because I want the people to understand the stakes of doing nothing.

Older Americans are beginning to hear loud and clear that if you get your check, nothing changes. And that's important for our citizens to hear. I'm sure some of you all have got a mom or a dad wondering what old—"Why is George W. talking about this? I want to make—just tell him, make sure I get my check." [*Laughter*] You'll get your check. You'll get your check.

There are some folks around this town trying to scare you because they don't want to see anything happen. But our citizens who count on Social Security will get their check. Baby boomers like me, we're fixing to retire, and there's a lot of us. This is an important issue for us, but it's really an important issue for your children and grandchildren.

We have an obligation to save and strengthen this important program for generations of Americans to come. And when Congress acts, there will be plenty of credit for everybody involved. And when they do, our children and grandchildren will one day look back and be grateful that our generation made the difficult choices and the necessary choices to renew the great promise of the Social Security system for the 21st century.

Thank you all for giving me a chance to come by.

NOTE: The President spoke at 9:24 a.m. at the Grand Hyatt Hotel. In his remarks, he referred to William "Billy" Gammon III, president, William Gammon Insurance Agency, Inc.; and Robert A. Rusbuldt, chief executive officer, and Thomas Grau, president, Independent Insurance Agents & Brokers of America, Inc.

Remarks on Presenting the President's Environmental Youth Awards
April 21, 2005

The President. Thank you all. Please be seated. Welcome to the White House. I'm sorry we're not out in the gardens today but a pretty good place to have a visit, anyway, isn't it, the East Room? We're glad you're here. I want to welcome you as we honor some fine young stewards of our environment and to recognize their achievements.

All of you have given your time and energy to preserving our natural spaces. You're setting such a fine example, and we appreciate the example. And today is our chance to tell you how proud we are of your good work.

I want to thank Steve Johnson, who is the Acting Administrator of the Environmental Protection Agency. I put this good man's nomination in front of the United States Senate for a reason, because he's plenty capable of doing the job, and now is the time for the United States Senate to confirm him. I'm proud that his wife, Debbie, is here, and Matt.

I want to thank my friend Congressman Vito Fossella, who has joined us. Congressman, thank you for being here.

We welcome all the EPA Regional Administrators, particularly those Administrators from the great State of Texas. [*Laughter*]

This week is National Volunteer Week, and we honor the 64 million Americans who volunteer and encourage others to join them. Since taking office, I have asked Americans to take an active role in serving their communities by dedicating 4,000 hours, or 2 years, over the course of their lives to helping others. In order to encourage people to help, I started the USA Freedom Corps, and that's a web site that match potential volunteers with opportunities to volunteer at the local level. And if you want to find out more about the web site, the USA Freedom Corps web site, go to www.usafreedomcorps.gov.

The 30 young men and women we honor here today in the White House answered the call to service. They know they have a responsibility to be citizens, not spectators, and that by serving a cause larger than themselves, communities grow stronger. One of the greatest responsibilities in a free society is responsible stewardship of our natural environment. All of you have taken that duty seriously. You have set a clear and strong example, and you're inspiring others to do their part.

Tomorrow I'm going to Tennessee, in honor of Earth Day, to help volunteers restore the trails at Cades Cove. I'm looking forward to getting my hands dirty—[*laughter*]—looking forward to getting outside of Washington. [*Laughter*]

As volunteers, you've put your talents to good use. In Cairo, Georgia, you set up a science camp to promote recycling. In St. Paul, Virginia, you helped restore a newly named wetland and made it an outdoor classroom. In Oklahoma and California, you cleaned up debris around local creeks. You built nesting boxes to protect local birds in Staten Island, New York. You improved trout habitats in Hyrum, Utah. You started a project for the Fender's blue butterfly in Salem, Oregon. You spearheaded a public education program to protect a stream near Cleveland, Ohio. You planted a beech tree at an elementary school in Middletown, Rhode Island. And you taught schoolchildren about groundwaters in Lincoln, Nebraska.

Each of these acts touched a community, and together they are improving our Nation. All of you are meeting your responsibility to our country's natural spaces, and our Government is doing the same. America's air and water are cleaner today than they were in 2001. My budget for the coming year fulfills my commitment in 2001 to spend $4.9 billion over 5 years to improve our national parks and to make our parks more inviting and accessible to all Americans.

We're implementing the Clear Skies rule to cut powerplant emissions by 70 percent. Under the farm bill I signed in 2002, we will provide $40 billion over 10 years to help our farmers and ranchers protect wetlands, water quality, and wildlife habitats. I've pledged to restore, improve, and protect 3 million acres of wetlands over the next 5 years. To safeguard our forests and woodlands against fire damage, I've signed the Healthy Forest Restoration Act. And since I took office, the Departments of Interior and Agriculture have removed hazardous fuels from more than 10 million acres of Federal land.

Across America, we're working with State and local governments to accelerate the cleanup and redevelopment of old industrial sites. We're working hard to improve our environment, and so are you. Each of you here today has worked hard. You've been idealistic in the right way, and you've been dedicated. I know your parents are proud of you. Your communities are proud of you, and so is your President.

So it is now my great honor to welcome the 2005 winners of the President's Environmental Youth Awards. The Acting Administrator will do the duties.

[*At this point, Acting Administrator Stephen L. Johnson introduced the award recipients from each region, and the President congratulated them.*]

The President. Listen, thank you all for coming. We're proud to have you here in the White House. I want to welcome and congratulate our students again. I really want to welcome your parents too. You've done a good job. And I want to thank your teachers. Teaching is a noble profession. We hope you enjoy the White House as much as Laura and I do.

God bless you all. Welcome.

NOTE: The President spoke at 3:27 p.m. in the East Room at the White House. In his remarks, he referred to Deborah Johnson, wife of Acting Administrator Johnson, and their son, Matthew Johnson.

Statement on Senate Confirmation of John D. Negroponte as Director of National Intelligence
April 21, 2005

I commend the Senate for moving quickly to confirm John Negroponte as the first Director of National Intelligence. I congratulate John on his confirmation, and I look forward to working closely with him. As the DNI, Ambassador Negroponte will lead a unified intelligence community as it reforms and adapts to the new challenges of the 21st century. The United States continues to make progress in the global war on terror against the enemies of freedom who target innocent civilians and seek weapons of mass destruction. I appreciate John's willingness to once again serve his country and the many men and women who serve in the intelligence community.

Statement on House of Representatives Passage of Energy Legislation
April 21, 2005

I commend the House for taking an important step to secure our energy future and to reduce our dependence on foreign sources of energy. The House energy legislation is largely consistent with the key objectives of my comprehensive national energy policy: increasing conservation and efficiency, expanding domestic production in environmentally responsible ways, diversifying our energy supply with more renewables and clean fuels, and modernizing our energy infrastructure. For more than a decade, our Nation has not had a sensible, balanced, and comprehensive energy strategy. An energy bill will help us make better use of the energy supplies we have and will make our supply of energy more affordable and more secure for the future. I look forward to swift Senate action so that I can sign a bill into law by August.

Statement on Senate Passage of Appropriations Legislation for Afghanistan, Iraq, and the War on Terror
April 21, 2005

I applaud the Senate for its strong bipartisan support for our troops and our continued effort to win the war on terror. New democracies are taking root in Iraq and Afghanistan, and America is proud to stand with them. Both countries are assuming greater responsibility for their own security, which will help our troops return home as quickly as possible with the honor they have earned. I urge the House and Senate to reach a final agreement that focuses taxpayer dollars on providing the tools our troops and diplomats need now, so that I can sign a bill into law as soon as possible.

Remarks on the Nomination of General Peter Pace To Be Chairman and Admiral Edmund P. Giambastiani, Jr., To Be Vice Chairman of the Joint Chiefs of Staff
April 22, 2005

The President. Good morning. As President, my most solemn duty is protecting the American people. In meeting this responsibility, one of the most important decisions I make is the appointment of the Chairman of the Joint Chiefs of Staff. Today I'm pleased to announce my decision to nominate General Peter Pace to take on this vital job.

When confirmed by the Senate, General Pete Pace will be the first marine in history to hold this vital position. He knows the job well. For the past 3½ years, he has served under our superb Secretary of Defense, Don Rumsfeld. He has been the Deputy to one of the most outstanding Chairmen our Nation has ever had, General Richard Myers.

As my most senior military adviser, General Myers has helped prepare military forces so they can meet the threats of this new century. This is a huge task, even in peacetime. Dick Myers did it while defending America from one of the most determined and vicious enemies we have ever faced. On General Myers's watch, we toppled two brutal dictatorships in Afghanistan and Iraq and liberated more than 50 million people. By removing the Taliban and Saddam Hussein, we have made America safer and put a troubled region on the path to freedom and peace.

I want to thank General Dick Myers for his able service over four decades and his tireless dedication to duty and country. And I also thank his wife, Mary Jo. Dick Myers has had four jobs with four stars, but the distinction that he is proudest of is not a military one. Last year, the National Father's Day Council named him Father of the Year.

I'm confident that the great work that General Dick Myers set in motion at the Pentagon will continue under the leadership of General Pete Pace. The first thing America needs to know about Pete Pace is that he is a marine. To the American people, marine is shorthand for "can do." And I'm counting on Pete Pace to bring the Marine spirit to these new responsibilities.

General Pete Pace's life is the story of the American Dream. His father was an immigrant from Italy. Pete Pace was born in Brooklyn. He grew up in New Jersey, and he graduated from the U.S. Naval

Academy. He was a rifle platoon leader in Vietnam. He commanded marines in Somalia, and he went on to command U.S. Marine forces in the Atlantic and became the head of the U.S. Southern Command. It tells you something about Pete Pace's devotion to his troops that under the glass on his desk at the Pentagon, he keeps a photo of Lance Corporal Guido Farinaro. He was the first marine he lost in combat in Vietnam.

I've come to rely on Pete Pace's wisdom, judgment, and sense of humor. I will continue to rely on those qualities as he serves our Nation as Chairman of the Joint Chiefs of Staff. We'll need his wisdom and determination as we continue to transform our Armed Forces so we can defeat today's enemies while preparing ourselves for military challenges we will face as this new century unfolds.

General Pete Pace also understands the critical role military families play in the success of our Armed Forces. That's because he has a great military family himself. I'm pleased to welcome his wife, Lynne, and daughter, Tiffany, who have joined us today. They're proud of Pete, and they should be.

Because he has served in the job, General Pete Pace also understands the important role that the Vice Chairman plays. Today I am pleased to announce that I have nominated an outstanding military officer, Admiral Ed Giambastiani. [*Laughter*] He shall be known as Admiral G. [*Laughter*] Anyway, he's going to be the Vice Chairman. [*Laughter*]

For the past 2½ years, Admiral G, as his friends and now the President calls him—[*laughter*]—has been serving our Nation while wearing two important hats. As Commander of the U.S. Joint Forces Command in Norfolk, he has been transforming our Armed Forces so they can better work together to defeat the threats of the 21st century. As the first Supreme Allied Commander for Transformation, he's been leading the effort to bring reform to NATO military so our Alliance is prepared for the threats of tomorrow.

Admiral G is joined today by his wife, Cindy, daughter, Cathy, and his son, Pete, a Navy lieutenant, and Pete's wife, Jennifer.

I appreciate the willingness of these men and their families to take on these new assignments in an extraordinary moment in our Nation's history. We still face ruthless adversaries who wish to attack our country. With the leadership of men like these, the outcome of the struggle is assured: America will defeat freedom's enemies and ensure the security of our country for generations to come.

It's my honor to bring to the podium General Pete Pace.

[*At this point, Chairman-designate Pace made brief remarks.*]

The President. Thanks for bailing me out. [*Laughter*]

[*Chairman-designate Pace continued his remarks, and then Vice Chairman-designate Giambastiani made brief remarks.*]

The President. Thank you all for coming.

NOTE: The President spoke at 10:12 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to former President Saddam Hussein of Iraq. The transcript released by the Office of the Press Secretary also included the remarks of Chairman-designate Pace and Vice Chairman-designate Giambastiani.

Remarks on Earth Day in Knoxville, Tennessee
April 22, 2005

It's great to be back in the State of Tennessee—I'm sorry we're not at the Great Smoky National Park. Senator Lamar Alexander has been urging me to come to the park and see the great beauty of a part of the world where he was raised. I'm proud to be traveling with Senator Bill Frist, the great majority leader of the United States Senate from the State of Tennessee, and Lamar Alexander. The thing about old Lamar is he's constantly reminding me that without Tennessee, Texas wouldn't be much. [*Laughter*]

I appreciate traveling with Congressman Jimmy Duncan, the Congressman from this district. I remember all too well going to the Duncan family picnic that he gave. Evidently, he's got a pretty good-sized family, since there was about 15,000 people there. [*Laughter*] I'm proud to be with Bill Jenkins, from east Tennessee, and Zach Wamp, Congressman Wamp. We had a good visit on the airplane, talking about issues that are important to Tennessee and our country. It's an honor to work with these fine leaders as we work to protect our country and secure our country and enhance the prosperity of our country.

I'm traveling as well with the Secretary of the Interior, Gale Norton—one of her jobs is to oversee the national parks of our country—as well as Acting Administrator of the Environmental Protection Agency, Steve Johnson. I picked Steve to head the EPA. I did so because, like me and like the folks serving in Congress here, we care about our environment. He also comes from the ranks of the EPA. He knows the Agency. He knows how to work with local folks to get things done. And I urge the Senate to confirm him as quickly as possible.

Before I begin, it was an honor to meet Pat Summitt, basketball coach of the Lady Vols. I told her I was heading down to Crawford, which is right next door to Baylor. And she said, "Well, make sure you say hello to one of my pupils," a person she coached, Kim Mulkey-Roberts. So I'm going to do that. If you're watching TV, Kim, Pat sends her best. What an honorable woman Pat Summitt is, and what a great role model she is for those of us who aspire to leadership.

In the park, had I been there, I would have reminded people today is Earth Day, a day in which we recommit ourselves to being good stewards of our land. We didn't create this Earth, but we have an obligation to protect it. One of the interesting things about our Nation is that since 1970, the air is cleaner, and the water is more pure, and we're using our land better, and our economy has grown a lot. My point is, it's possible to have economic growth and jobs and opportunity and, at the same time, be wise stewards of the land.

I remember traveling with Lamar down here one time, and he said, "I want you to understand, and I want you to pay attention to the ozone levels in the Smokies." And so I did a little research, and I'm proud to report, since 2000, the ozone levels have dropped. But there is more to be done to make sure the Smoky Mountains and the Smoky Mountain National Park is as beautiful as possible.

And I want to share with you too, two issues that we have worked together on that will make a difference not only to the folks here in Tennessee but around the country. First, we have finalized a rule that will cut pollution from heavy diesel engines by 90 percent. We worked with the manufacturers of those engines, and we've come up with a way to reduce pollution from diesel engines, and that's going to help a lot.

And secondly, I put forth a rule—a series of rules called the Clear Skies Initiative, which will cut air pollution from coal-fired

powerplants by 70 percent. This is a commonsense approach to dealing with this important issue. We use a market-based system, a cap and trade system to provide flexibility so that the powerplants can meet the goals we set of reducing pollution by 70 percent. The initiatives we did through Executive order are important, but it would sure be helpful if Congress passed the Clear Skies legislation as well.

The water quality of the United States is good because we're strictly enforcing the law. Ninety percent of the United States have water that meets very stringent health standards. That's up, by the way, from about 74 percent. And we'll continue to work hard to make sure everybody has got good water.

One of the initiatives I announced on Earth Day last year was to restore, improve, and protect 3 million acres of wetlands over a 5-year period of time. The policy used to be no net loss. I thought we needed to be more aggressive on wetlands. And so the new goal is to restore, improve, or protect 3 million acres of land. This year we enhanced 830,000 acres, so we're on our way to meeting that goal, and that's good for the country.

The farm bill is working, and I appreciate the Members behind me who understand the importance of the Conservation Reserve Program, which helps our ranchers and farmers restore grasslands and build valuable habitat for wildlife.

I was concerned about forest fires that have decimated a lot of our national treasures, so I worked with the Congress to pass the Healthy Forest Restoration Act. I want to thank Senator Frist for working that piece of legislation through the Senate. Last year, as a result of that bill, we removed hazardous fuels in forested areas—over 10 million acres. It's really an important piece of legislation, to be wise about how we conserve our national forests.

We're making good progress when it comes to restoring industrial sites through the brownfields initiative. We've restored 1,200 abandoned industrial sites since I've been the President and converted them to productive use.

One of my concerns back when I first started running for President was to make sure that our National Park System worked well for all our citizens. The parks belong to the people, and the parks should be accessible to the people. A lot of good folks use our parks, but as a result of not paying close attention to the maintenance backlogs in our parks, some of the parks weren't meeting the standards that we should expect. And so I laid out a 5-year initiative to spend $4.9 billion to end the maintenance backlog of our parks. We'll meet that initiative when Congress meets my budget request this year. I want to thank Senator Frist, Senator Alexander, and the Members of the Congress for supporting this important park initiative.

We spent $20 million last year in the Smokies on maintenance backlog. In other words, we have an obligation to maintain these valuable assets on behalf of the people, and we're meeting that obligation. Secretary Gale Norton and Fran Mainella, who runs our park system, are doing a fine job of setting clear priorities and explaining to Congress the nature of those priorities and then restoring these parks back to where they need to be so people can use them.

I wish I had been there at the park to thank the park rangers who work so hard to make sure our parks are accessible to our citizens. The rangers are a fabulous group of people, whether they be here in Tennessee or around the Nation, and they work hard on behalf of the citizens of our country. But one of the things that makes our park system work well is the fact that there are a lot of volunteers all across America who want to work in the parks. I don't know if you realize this in this part of the world, but there are 2,000 volunteers who work in the Smokies. Doesn't surprise me; after all, this is the Volunteer State.

If you're interested in serving, if conservation interests you, if you want to be

a part of our national effort to be good stewards of the environment, you ought to go on to the usafreedomcorps.gov web site. It's a web site we set up to encourage voluntarism in America. And if you volunteer to serve in a national park, to restore trails, for example, you'll find a lot of other good citizens right there with you.

So my message to the good folks of Tennessee on Earth Day is, we have a duty and an obligation to protect our environment. We're meeting that obligation, but that obligation is not just a Federal obligation. There is a State obligation, a local obligation, and each of us as citizens can do our part as well.

I appreciate you all coming out. I'm honored to be traveling with some fine members of the congressional delegation from Tennessee. May God continue to bless the good folks of Tennessee and our country. Thank you very much.

NOTE: The President spoke at 12:55 p.m. at the McGhee Tyson Air National Guard Base. In his remarks, he referred to Pat Summitt, head coach, University of Tennessee's women's basketball team; and Kim Mulkey-Robertson, head coach, Baylor University's women's basketball team.

The President's Radio Address
April 23, 2005

Good morning. My most solemn responsibility as Commander in Chief is to protect the American people. At this moment, our courageous men and women in uniform are serving in distant lands, risking their lives to ensure our security. We must give them all the resources they need to protect us from the threats of determined enemies and to prevail in the war on terror.

I applaud the House and Senate for their strong support of my supplemental funding request for our troops serving on the frontlines. This funding will help provide the weapons, ammunition, spare parts, and equipment that our troops need to do their job. I urge Congress to come together to resolve their remaining differences and send me a bill quickly.

As our service men and women make our Nation more secure, they're also helping to transform other nations that until recently knew only tyranny and despair. In Afghanistan, millions went to the polls after we helped liberate that country from the Taliban. In Iraq, the sacrifices made by our Armed Forces are helping Iraqis build a Government that answers to the people instead of the other way around.

As Iraqis assume increasing responsibility for the stability of their country, Iraqi security forces are becoming more self-reliant and taking on greater responsibilities. Today, more than 150,000 Iraqi security forces have been trained and equipped, and for the first time, the Iraqi army, police, and security forces outnumber U.S. forces in Iraq. Like free people everywhere, Iraqis want to be defended and led by their own countrymen. We will help them achieve this objective, and then our troops will come home with the honor they have earned.

As we fight the war on terror and spread freedom abroad, we continue to pursue pro-growth economic policies at home. Sustaining America's prosperity requires restraining the spending appetite of the Federal Government. That's why the 2006 budget I submitted to Congress holds the growth of discretionary spending to 2.1 percent, below the projected rate of inflation.

Spending discipline requires difficult choices. Every Government program was created with good intentions, but not all are matching good intentions with good results. My 2006 budget eliminates or substantially reduces more than 150 Federal programs that are not succeeding, that are duplicating existing efforts, or that are not fulfilling an essential priority. The principle is simple: Taxpayer dollars must be spent wisely or not spent at all.

Spending wisely means reducing wasteful spending that can threaten the viability of essential programs like Medicaid. We must end overpayment for prescription drugs by States and the Federal Government. We will work with States to ensure that Federal Medicaid dollars are spent properly and go to help those in need. And we must close loopholes that allow people who can afford to pay for their health care to shift the costs to Medicaid and drain resources needed to provide health care for the poorest Americans.

The savings in my budget are critical in helping us to keep our economy growing and creating jobs. Now Members of Congress need to come together and send me a budget that funds our priorities, ensures that taxes stay low, and keeps us on track to cut the deficit in half by 2009.

Thank you for listening.

NOTE: The address was recorded at 7:52 a.m. on April 22 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on April 23. The transcript was made available by the Office of the Press Secretary on April 22 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Statement on Armenian Remembrance Day
April 24, 2005

On Armenian Remembrance Day, we remember the forced exile and mass killings of as many as 1.5 million Armenians during the last days of the Ottoman Empire. This terrible event is what many Armenian people have come to call the "Great Calamity." I join my fellow Americans and Armenian people around the world in expressing my deepest condolences for this horrible loss of life.

Today, as we commemorate the 90th anniversary of this human tragedy and reflect on the suffering of the Armenian people, we also look toward a promising future for an independent Armenian state. The United States is grateful for Armenia's contributions to the war on terror and to efforts to build a democratic and peaceful Iraq. We remain committed to supporting the historic reforms Armenia has pursued for over a decade. We call on the Government of Armenia to advance democratic freedoms that will further advance the aspirations of the Armenian people. We remain committed to a lasting and peaceful settlement of the Nagorno-Karabakh conflict. We also seek a deeper partnership with Armenia that includes security cooperation and is rooted in the shared values of democratic and market economic freedoms.

I applaud individuals in Armenia and Turkey who have sought to examine the historical events of the early 20th century with honesty and sensitivity. The recent analysis by the International Center for Transitional Justice did not provide the final word, yet marked a significant step toward reconciliation and restoration of the spirit of tolerance and cultural richness that has connected the people of the Caucasus and Anatolia for centuries. We look to a future of freedom, peace, and prosperity

in Armenia and Turkey and hope that Prime Minister Erdogan's recent proposal for a joint Turkish-Armenian commission can help advance these processes.

Millions of Americans proudly trace their ancestry to Armenia. Their faith, traditions, and patriotism enrich the cultural, political, and economic life of the United States. I appreciate all individuals who work to promote peace, tolerance, and reconciliation.

On this solemn day of remembrance, I send my best wishes and expressions of solidarity to Armenian people around the world.

Exchange With Reporters in Crawford, Texas
April 25, 2005

President's Meeting With Crown Prince Abdullah of Saudi Arabia

Q. What do you expect to get out of this meeting, sir?

The President. Do you like the footpath?

Q. Let's talk about the meeting.

The President. This is an important relationship—personal relationship with the Crown Prince is important. I look forward to talking with him about a variety of subjects. I'm glad you're here. Thank you for coming. I hope you're enjoying this day.

Oil Prices/Energy Legislation

Q. How much progress can you make on oil prices?

The President. I'll be glad to answer those questions at a later time.

Q. Later today?

The President. No. No, of course I'll talk about energy. And the Crown Prince understands that it's very important for there to be a—make sure that the price is reasonable. A high oil price will damage markets, and he knows that. I look forward to talking to him about that. But as well as—you know, we'll talk about his country's capacity. It's an important subject.

One thing is for certain: I need to sign an energy bill. I appreciate the House passing the energy bill, and now it's time for the Senate to pass the energy bill. The bill is a long time in coming. The Vice President and I suggested they pass a bill in 2001, and nothing happened. Now is the time for something to happen. I'm looking forward to getting back to Washington and continue to talk about energy.

Q. Sir, do you think gas prices can be any lower than it is today?

The President. That depends on the supply and demand. One thing is for certain: The price of crude is driving the price of gasoline. The price of crude is up because not only is our economy growing, but economies such as India and China's economies are growing.

Here comes my guest. Anyway, nice going; you got me to answer some questions.

NOTE: The exchange began at 11:05 a.m. at the Bush Ranch.

Joint Statement by the Presidents of the Russian Federation and the United States of America
April 25, 2005

April 25, 2005, marks the 60th anniversary of the meeting of Soviet and U.S. troops at the River Elbe.

Our nations will always remember the handshake that made history at the Elbe, which became one of the most vivid symbols that our countries were comrades-in-arms in fighting together against Nazi tyranny, oppression, and aggression. We admire the courage and gallant deeds of the soldiers from the countries of the anti-Hitler coalition. We will never forget their sacrifice for our common victory.

The past 60 years have witnessed reconciliation in Europe, the overcoming of the Cold War legacy, the fall of barriers that divided peoples and nations, the growth of prosperity, and the advancement of freedom and democracy.

In the new century, new threats to the security of our countries have arisen, including terrorism and the proliferation of weapons of mass destruction. But there are also increased opportunities for building a lasting peace based on law and the common values of freedom and democracy. While Russia and the United States are building a closer partnership, the meeting at the Elbe reminds us of the enormous advantages that we can provide for both our countries and for the rest of the world when we are united in dealing with global challenges and take advantage of the opportunities before us for progress and cooperation.

NOTE: An original was not available for verification of the content of this joint statement.

Joint Statement by President George W. Bush and Crown Prince Abdullah of Saudi Arabia
April 25, 2005

Sixty years ago, President Franklin D. Roosevelt and the Kingdom of Saudi Arabia's founder King Abdulaziz Al Saud held a historic meeting upon a sturdy ship at the Great Bitter Lake in the Suez Canal. In six hours President Bush's predecessor and the Crown Prince's father established a strong personal bond that set the tone for decades of close relations between our two nations.

Today, we renewed our personal friendship and that between our nations. In our meeting we agreed that momentous changes in the world call on us to forge a new relationship between our two countries—a strengthened partnership that builds on our past partnership, meets today's challenges, and embraces the opportunities our nations will face in the next sixty years.

Our friendship begins with the recognition that our nations have proud and very distinct histories.

The United States respects Saudi Arabia as the birthplace of Islam, one of the world's great religions, and as the symbolic center of the Islamic faith as custodian of Islam's two holy places in Makkah and Madina. Saudi Arabia reiterates its call on all those who teach and propagate the Islamic faith to adhere strictly to the Islamic message of peace, moderation, and

tolerance and reject that which deviates from those principles. Both countries agree that this message of peace, moderation, and tolerance must extend to those of all faiths and practices. The two nations reaffirm the principles agreed to during the international conference on counterterrorism hosted by the Kingdom in February 2005. These principles were enshrined in the "Riyadh Declaration" which calls for, "fostering values of understanding, tolerance, dialogue, co-existence, and the rapprochement between cultures . . . [and] for fighting any form of thinking that promotes hatred, incites violence, and condones terrorist crimes which can by no means be accepted by any religion or law."

The Kingdom of Saudi Arabia recognizes the principle of freedom upon which the United States was founded, including the freedoms enshrined under the first amendment of the United States Constitution. The Kingdom appreciates the United States' historic role in working to end colonialism and imperialism and promoting the right of self-determination.

While the United States considers that nations will create institutions that reflect the history, culture, and traditions of their societies, it does not seek to impose its own style of government on the government and people of Saudi Arabia. The United States applauds the recently held elections in the Kingdom for representatives to municipal councils and looks for even wider participation in accordance with the Kingdom's reform program.

The Kingdom of Saudi Arabia and the United States are close partners in many important endeavors. We welcome the renewed determination of Saudi Arabia to pursue economic reform and its quest to join the World Trade Organization (WTO). We will work together as partners to complete our negotiations and with other WTO members in Geneva with the aim of welcoming Saudi Arabia into the WTO before the end of 2005.

Both nations pledge to continue their cooperation so that the oil supply from Saudi Arabia will be available and secure. The United States appreciates Saudi Arabia's strong commitment to accelerating investment and expanding its production capacity to help provide stability and adequately supply the market.

The Kingdom of Saudi Arabia and the United States commit to actively help the Iraqi people realize their aspirations to build a secure, sovereign, prosperous, and unified nation at peace with its neighbors and where Iraqis of all religions and ethnic groups are free to participate in its institutions. Both nations call on the international community to support Iraq's political and economic development. Both nations urge neighboring states not to interfere in Iraq's internal political affairs.

Both our nations have witnessed the horror of terrorism on our homelands by violent individuals and groups who indiscriminately kill people of all faiths and nationalities in order to further their extremist agenda. Both our nations assert our determination to continue to improve upon our close cooperation to combat terrorism and to choke off resources intended for them and their support networks. We honor the memory of the victims of terrorism—and those who have lost their lives fighting terrorists—and pledge to work together until terrorism no longer threatens our nations and the entire world.

The United States and Saudi Arabia continue to support efforts to prevent the spread of nuclear weapons, and of the technology and materiel needed to develop and build nuclear weapons. Efforts to develop and acquire such weapons run contrary to efforts to promote peace and stability in the region.

The United States and Saudi Arabia support UN Security Council Resolution 1559

and, accordingly, take note of Syria's decision to withdraw all its troops and intelligence personnel from Lebanon. Both nations welcome a provisional Lebanese government and look forward to free and fair elections unburdened by foreign interference or intimidation.

With regard to the Palestinian-Israeli conflict, the United States and the Kingdom of Saudi Arabia desire a just, negotiated settlement wherein two democratic states, Israel and Palestine, live side by side in peace and security. We will continue our efforts to achieve this objective, and reiterate our support for the efforts of the Palestinian Authority to bring democracy, peace, and prosperity to all Palestinians. The United States thanks Crown Prince Abdullah for his bold initiative—adopted unanimously by the Arab Summit in 2002—that seeks to encourage an Israel-Palestinian and Israel-Arab peace. We believe that an Israeli withdrawal from Gaza and parts of the West Bank will be a significant step forward toward implementation of the Road Map. It is our firm conviction that resolving the Palestinian-Israeli conflict will remove a major source of tension and contribute to stability and progress in the region.

Finally, the United States and Saudi Arabia agree that our future relations must rest on a foundation of broad cooperation. We must work to expand dialogue, understanding, and interactions between our citizens. This will include programs designed to (1) increase the number of young Saudi students to travel and study in the United States; (2) increase our military exchange programs so that more Saudi officers visit the United States for military education and training; and (3) increase the number of Americans traveling to work and study in the Kingdom. The United States recognizes we must exert great efforts to overcome obstacles facing Saudi businessmen and students who wish to enter the United States and we pledge to our Saudi friends that we will take on this effort. A high-level joint committee has been established to be headed by the Saudi Foreign Minister and the U.S. Secretary of State that will deal with strategic issues of vital importance to the two countries.

NOTE: An original was not available for verification of the content of this joint statement.

Remarks in a Discussion on Strengthening Social Security in Galveston, Texas
April 26, 2005

The President. Thank you all for coming. It is nice to be home. I want to thank the mayor for being here. Lyda Ann Thomas greeted me coming in. I said, "Do you still have Splash Day?" [*Laughter*] You have to be a baby boomer to know what I'm talking about. [*Laughter*] I'm not saying whether I came or not on Splash Day. I'm just saying, "Do you have Splash Day?" [*Laughter*]

It's great to be back in Galveston. What a cool city. Thanks for having me, and thank you all for giving me a chance to come and talk about Social Security. I've got some things I want to say before we get there, and as you can tell, I'm joined by some of our citizens who are willing to discuss some interesting ideas when it comes to making sure the safety net of Social Security is available for younger generations of Americans.

Before I get there, though, Laura sends her love. I know the Vogelpohls are here. There's Kris Anne, sitting over there. She always was my kind of southeast Texas mother, constantly telling me what to do—[*laughter*]—like my Houston mother would do. [*Laughter*] But Laura sends her best to you and Elmer. Thank you all for coming. And we're really pleased to be with a lot of other friends as well. When I come back to Texas, I get a little nostalgic. It reminds me of the days when I was knocking on doors, asking for votes, and a lot of people in this county and around our State were so gracious and kind to me and Laura. I've got to tell you, there's nothing better than coming home to make sure you don't forget the culture from where you came.

I really want to thank Dr. Stobo and the University of Texas Medical Branch for hosting us. This is a fabulous facility. It is—a lot of my friends were trained here. Most of them ended up being pretty good doctors. [*Laughter*] It is really neat to be back to this facility. And I was talking to Congressman DeLay, who kindly joined us today, and he was saying that this was—this hospital is going to be the Texas center for bioshield research, to help us make sure that—to make sure that our country is well-prepared as we engage in this war on terror. No better place, by the way, to do substantial research than right here at the University of Texas—I used to call it Texas-Galveston; I guess we've got a new fancy name for it—anyway, right here at University of Texas on the island of Galveston. So, Doc, thanks for having me. I appreciate the doctors who are here and the nurses. Thank you for working in medical care.

We got a lot to do in Washington. We've got to make sure the Medicare system functions well. We've got to make sure that we bring electronic records to the health care industry so that it becomes modern, as we deal with patients' needs. We've got to spread health savings account, which empowers consumers to make decisions. And most of all, it seems like to me, one way to send a clear message that we're interested in making sure health care is available and affordable is to pass medical liability reform out of the United States Senate to protect our docs around the country.

And I appreciate the leadership of Congressman Tom DeLay in working on important issues that matter to the country.

We've got us a good medical liability bill out of the House. It's, of course, stuck in the Senate. We've now got us a good energy bill out of the House. And for the sake of our national security and for the sake of our economic security, the United States Senate needs to get an energy bill to my desk as soon as possible.

I also appreciate Kevin Brady joining us as well. Congressman Brady is with us. He's a hard-working Congressman. You still call the Woodlands home, don't you? Yes, Woodlands. I knew him when he was a lowly State rep. [*Laughter*] He knew me when I was a lowly Governor. [*Laughter*] I appreciate all the State and local officials who are here.

I had the honor, when I landed, of meeting Dorothy Paterson. Dorothy is a breast cancer survivor. The reason I bring her up is she is a—she's a volunteer in organizations that promote breast cancer awareness and education. That's important. What else is important is the fact she takes time out of her life to volunteer. The strength of the United States of America lies in the hearts and souls of our citizens. The true strength of this country happens on a daily basis when somebody loves a neighbor just like they'd like to be loved themselves. If you're interested in serving America, if you're interested in helping to change our society, one heart and one soul at a time, volunteer to make a difference in somebody's life just like Dorothy has. Thanks for coming, Dorothy.

Social Security: A lot of people said, "You shouldn't talk about it, Mr. President." Well, first of all, I campaigned on

it. I said, "I believe we have a serious problem. Elect me, and I intend to do something about it." Secondly, I believe the job of a President is confront problems, not pass them on to future Presidents or future generations. And I see a problem in Social Security, and it has to do with me and guys like Yarbrough. [*Laughter*] We're baby boomers. We're getting ready to retire, and there's a lot of us. As a matter of fact, I believe there's about 40 million retirees today. When we end up retiring, we baby boomers retire, there are going to be 75 million people. There's a bulge of people getting to—getting ready to retire.

And we're living longer, thanks to good medicine, and thanks to making, by the way, right choices, exercise, moderation, no smoking. We're living longer. And interestingly enough, people ran for office saying, "Vote for me. I'm going to make sure that your generation gets better benefits." And so we're getting better benefits than the previous generation.

So think about that, a lot of people living longer, retiring with better benefits, and fewer people paying into the system. In 1950, 16 workers were paying for every beneficiary. Today, there's 3.3 workers for every beneficiary. Soon there's going to be two workers for every beneficiary. To me, that says we got a problem. And then when you start calculating the math—and our expert here is going to help me on this—you'll find that Social Security—which is not a trust or a savings account; it's a pay-as-you-go system—goes into the red in 2017. That means there's more money coming out than going in.

You see, a lot of folks, I'm sure some right here in this audience, believe Social Security is a system where we take your payroll taxes, and we hold it for you, and then when you retire, we give it back to you. That's not the way it goes. We take your payroll taxes. We pay out the benefits to the current retirees, and with the money left over, we pay—pay for other programs. And there's nothing left but file cabinets with IOUs. And that's how it works.

In 2027, the system is going to be 200 billion a year in the hole, and it gets worse every year from 2017 on. So I see a problem. Interestingly enough, Americans now understand we have a problem. I've been to 23 States explaining the problem. I'm going to continue making sure that the American people understand what is at stake.

A lot of seniors are worried about this topic being discussed. I understand that. They've been told, "You know, somebody is going to take away your check, when it comes to modernizing the system." That's been a part of the political rhetoric for way too long. The good news is, nobody has ever had a check taken away from them yet, and nobody will. If you've retired, if you were born prior to 1950, the system will take care of you. You don't have a thing to worry about. I don't care what the pamphlets say or the radio ads say or the scare tactics say; you're in good shape. And that's important for a lot of our seniors to hear because they're counting on that Social Security check.

Franklin Roosevelt did a smart thing when he set up the system. It—Social Security has provided an important safety net for a lot of seniors for a lot of years. The problem isn't for today's seniors. The problem is for a younger generation of Americans coming up. They're going to have to pay for people like me who are living longer, who have been promised greater benefits. That's where the problem exists. I like to describe this as a generational issue. You see, once the grandparents understand they're going to get their check and the system will fulfill its promise, the question I get from grandparents is, "What are you going to do about my grandkids?"

And that's the question that now confronts the United States Congress. The people of this country understand we have a problem. And the question confronting the Congress is: Do you have the political

will to do something about it? And I'm going to continue traveling this country, insisting that the people who have been given the high responsibility of serving in the House of Representatives and the United States Senate do their duty and make sure the safety net is available—the Social Security safety net is available for younger Americans coming up.

Too much politics in Washington, DC. There's too many people saying, "Well, we can't work with this group because it might help them get an upper hand," or "can't work with that crowd because they might get an upper hand." That's just—you know, it is—it is defeating, self-defeating to talk like that. We've got to rise above the politics, the zero-sum attitude.

I appreciate the Senate Finance Committee today, by the way, having hearings. Both Republicans and Democrat experts are now testifying that we need to come together to get something done, see. And that's—and we're making progress. If it were easy, it had been done by other Presidents and other Congresses. This is hard work, to get people to do the hard thing in politics. But I'm confident we'll get something done.

And that's why I went in front of the United States Congress at my State of the Union and said, "All ideas are on the table. If you've got a good idea, bring it forward. I don't care if it's a Republican idea or a Democrat idea, independent idea, Texas idea, any kind of idea. Bring it forward," because now is the time for people to be talking about how they think we can best solve the problem in the long term for a younger generation of Americans.

I say solve it forever, by the way. In 1983, Ronald Reagan and Tip O'Neill sat down and said, "We've got a significant problem. Let us come together to fix it." And they put together what's called a 75-year fix. Here we are 22 years later talking about the 75-year fix. In other words, now is the time to fix this permanently.

And as we fix it permanently, I want the—I think the Congress needs to come together and make this a better deal for younger Americans. And what do I mean by that? I mean younger Americans ought to be allowed to take some of their own payroll taxes, some of their own money and invest it in a savings account, a personal savings account, an account they call their own. And here's why I think it's a vital part of making sure the Social Security system is a better deal for younger Americans.

First of all, in a conservative mix of bonds and stocks, you get a better rate of return on your money than the Federal Government gets for you. And that's important because over time, there's something called the compound rate of interest. In other words, it grows. Your money grows over time. If you hold it in a conservative mix, it grows. For example, if you're a worker making $35,000 over your lifetime, and your—the Government allows you to take a third of your payroll taxes and sets it aside in a conservative mix of bonds and stocks that earn, say, 4 percent, that money will yield $250,000 over your lifetime, which is a heck of a good nest egg for a lot of folks. That's money you call your own.

And that nest egg would be a part of a retirement package. The Government is going to be able to afford something for younger Americans when it comes to Social Security. That's part of the debate in Washington. But a nest egg you call your own is a complement to your retirement.

Secondly, I like the idea of people owning something. We want people owning something in America. If you own something, you have a vital stake in the future of your country. If you own your asset, you can pass it on to whomever you choose. We want more people owning assets, more people saying, "I want to pass this on to my son or daughter." I think it will be healthy for our country if we can do that.

Secondly—thirdly, we want a system that makes sure that we don't harm widows.

Today if you work all your life and happen to die before 62 and your wife or husband works alongside you, you get survivor benefits when you turn 62 or the benefits from Social Security, which is ever higher, but not both. In other words, if you think about that, somebody is working all their life and they die early, their asset just goes away. The money they've contributed isn't available.

If you have an asset you call your own that you can pass on to whomever you choose, that grows better than the rate that you get from the Government, your spouse and surviving family members will have something to help them through tough times. In other words, ownership has important implications for our society, but it's also got practical implications. It helps families and allows workers to get a better rate of return.

And you've got such a plan here, by the way, a plan where people can watch their own money grow, right here in Galveston County, which we're about to talk about. By the way, this isn't a new idea that I'm talking about; Galveston County, Brazoria County, Matagorda County has got it right here. As a matter of fact, 25 percent of 23 million State and local government employees in America don't take part in the Social Security. They've got a different system. And we're about to talk about the system you've got here. It's important for people to understand there's a different system available.

Secondly, guess who gets to invest in personal retirement accounts in their own retirement funds: Members of the United States Senate and United States House of Representatives. Federal employees have the option of taking some of their money aside, putting it in a conservative mix of bonds and stocks, and watching their own money grow, to get a better rate of return than that which the Government could get for them.

My attitude and my comment to Members of the United States Congress and Senate: If taking some of your own money and setting it aside in a personal account to get a better rate of return on your money is good enough for you, it's good enough for workers all across America.

Just—let me just give you a sense for the difference between what a worker gets here in Galveston and then a worker would get out of Social Security. If you get a 3.75 percent return, like they guarantee here in Galveston, on your money, and you're a person working 37 years, making about $25,000 a year, you'd receive $1,250 a month from the alternate plan now available for workers here, as opposed to $669 from Social Security. Think about that. That's a difference between a better rate of return on your money over a 37-year period.

Or if you're an employee working for the same amount of time and earning $75,000, you'd receive $3,600 a month from the alternative plan they've got here, as opposed to $1,300 from Social Security.

So I hope you're getting a sense for when I say, "Let's give a better deal for younger workers." And a better deal would not be mandatory by the Federal Government. The better deal would say, "If you so choose, you can take—put aside some of your own money." If that's your desire, you ought to be allowed to take it and set it aside. And so I'm traveling the country making it clear to people that there are better options available than the current Social Security system, a better deal for younger workers. It's all aimed at patching the hole in the safety net for a young generation of Americans coming up.

One of the things I try to do is surround myself with experts. We've got a Ph.D. with us today. Syl, it's good to have you. He is a fellow who's studied the Social Security issue. For those of you who are students, there's an interesting lesson to be learned here. Syl obviously is a really smart guy, Ph.D. I'm a C student—[*laughter*]—a couple of B's scattered in there. [*Laughter*]

I want you to notice who's the adviser and who's the President. [*Laughter*]

All right, Syl. With that—with that glowing introduction—[*laughter*]—get your mike up so they can hear.

Sylvester Schieber. Thank you, Mr. President.

[*At this point, Dr. Schieber, vice president of research and information, Watson Wyatt Worldwide, Chevy Chase, MD, made brief remarks.*]

The President. Good job, Syl. Three weeks younger?

Dr. Schieber. I was born on the 24th.

The President. Of July? Yes.

Dr. Schieber. Good month. [*Laughter*]

The President. You don't look a day over 65. [*Laughter*]

Dr. Schieber. I've got a hard job.

The President. That's right, yes. [*Laughter*]

Jim Yarbrough, county judge, right here from Galveston, Texas. Yes. You were sworn in '95, right?

James D. Yarbrough. Yes.

The President. He was sworn in in January of 1995.

Judge Yarbrough. Some people say too long. [*Laughter*]

The President. Not the voters. Thank you for joining us. I've known him for a long time. I got sworn in—Governor in January of 1995, and the State survived—[*laughter*]—and so did the county. Thank you for being here.

I was in Ohio recently, and they had a program for their—started off with their colleges to attract professors. And they said, "Well, let's let some of the professors take some of their money and invest it in personal savings accounts." It worked so well for the professors that everybody started asking for the same benefit. In other words, my point is, is that it's not just in Texas that workers are allowed to—Government workers are allowed to set aside money. There's Ohio, and there's a lot of other States as well. Texas is—you've been doing this for how long? Explain the program, if you don't mind.

Judge Yarbrough. Ten years. Well, Mr. President, I've had the good fortune to be county judge for 10 years. And on behalf of all the people of Galveston County, Republicans and Democrats, we appreciate you coming to Galveston.

The President. Thank you, sir.

Judge Yarbrough. We are truly fortunate in Galveston County. We have two retirement plans that our people contribute to.

[*Judge Yarbrough made further remarks.*]

The President. See, it's an interesting concept. Our world has changed a lot since Franklin Roosevelt signed the bill for Social Security. In other words, the government is beginning to trust people more, Galveston County, the county judge sitting here saying, "We want to give people some options." In other words, the government is basically saying, "We trust you to make the right decisions for your family." It's an interesting thought, isn't it, as opposed to saying, "Here's your check." [*Laughter*] It's—and that's an important—[*applause*].

Can you get a pretty good rate of return? They've got, actually, a guaranteed rate of return.

Judge Yarbrough. We guarantee a 3.75 percent rate of return. We've been experiencing 4 or 5 percent over the last several years. So, yes.

The President. That stands in contrast, by the way, between the 1.8 to 2 percent that the Federal Government is getting on your money. And that difference in interest is really important—really important—because it compounds over time, interest does, and it grows. If you're a younger worker—we're about to talk to some younger people—it will grow over time to make sure that you have an asset base.

Let me ask you something. The death benefit—it's interesting—the death benefits in Social Security today, by the way—again, I repeat, if you're married and your husband predeceases you and you're not 62,

you get no death benefits. A person could be working in all the time—or the wife could be working and the husband survives—you don't get any death benefits until you turn 62. And then if you happen to be retired and you're getting benefits as a result of your own labor, you don't get both. You don't get your spouse's contributions. You only get your own. It sounds like a lousy deal to me.

How does it work for your——

Judge Yarbrough. For our people, Mr. President, if someone were to die while they were employed by the county, they would get a life insurance policy 4 times their annual salary that would go to their beneficiary, plus their family would get the money that's in their individual account. If you're a retiree in our plan—again, like Kathryn here, she gets a $50,000 paid-up policy as part of our alternate plan.

The President. Yes. Let me ask you something. I think a lot of people are worried about Wall Street, hidden fees. You hear talk about what we're—"Of course they want this to happen. These Wall Street people are going to end up benefiting mightily as a result of people." How do you make sure—investing, how do you make sure people are——

Judge Yarbrough. We have contracts in place with, in our case First Financial—Rick and Tolbert, here today—minimal fees. We are investing in Government securities, direct obligation of the U.S. Government, minimal risk. Not going to hit the home run with it, but it's not going to take a step back. And so it's very safe, minimal fees for our employees to participate.

The President. Right. The Thrift Savings Plan the Federal Government has, by the way, has a different little mixture—a different mixture than what he's talking about. They've got bonds and stocks. There are—it's a set plan. People can choose. You can actually begin to mix up your investments if that's what you choose to do.

What's important here is the philosophy behind what Galveston County is doing, the idea of saying, "We can do a—you can own your own asset and watch it grow." We're about to talk to somebody who opens up their monthly statement, which I think is healthy for our country, by the way, but also, you get a better rate of return, and you trust people.

Kathryn Novelli, welcome.

Kathryn Novelli. Thank you.

The President. So, are you retired? You don't look it. I'm just asking, are you? [*Laughter*]

Mrs. Novelli. Yes. I retired 1 year ago, January, so I've been off a year.

The President. Really? So are you fishing a lot on the piers? [*Laughter*]

Mrs. Novelli. We haven't gone fishing yet. We've been roaming.

The President. Roaming? [*Laughter*] That's good. Is your Harley running well? [*Laughter*]

Mrs. Novelli. It's my Yamaha. [*Laughter*]

The President. So tell us what you do.

Mrs. Novelli. Okay, I collect my——

The President. You worked? You worked before? Sorry to interrupt.

Mrs. Novelli. Oh yes, I was in the civil department—I was with the county for 21 years, and I had worked before that, so I still get Social Security also.

The President. So you worked in the private sector.

Mrs. Novelli. Yes, I worked 14 years.

The President. And you're getting your Social Security check now.

Mrs. Novelli. Yes, and I'm getting a——

The President. Any doubt you'll get your check? That's good. [*Laughter*] I'm not teasing on this. It's really important for seniors to understand, you are going to get your check. I know there's a lot of rhetoric out of Washington, a lot of attempts to kind of frighten people. You're going to get your check.

Mrs. Novelli. Yes.

The President. Good. I'm glad you feel that way. It's important for me to know.

Mrs. Novelli. President Bush, if they would listen to you, they would know. [*Laughter*]

The President. Yes, well—she's doing good. [*Laughter*]

Mrs. Novelli. I'm sorry.

The President. No, you're doing great. [*Laughter*] I'm the funny guy, not you. [*Laughter*] So tell me, so then you worked for the county and you get this——

Mrs. Novelli. I get a check a month from my alternate plan, because that's the way we chose to do it, plus I get my retirement check, and I get my Social Security.

The President. And how do they inform you in the alternate plan? In other words, is there an information process?

Mrs. Novelli. I met with Mr. Newman, Tolbert Newman, and he showed me all the options, either take it all at one time or take it once a month. And this is what we chose. But we left it in for a year because they pay more interest than the banks or the credit union.

The President. And that interest makes a difference?

Mrs. Novelli. Yes. And while I'm drawing mine monthly, it's still gaining interest in there, the rest of it is.

The President. Don't you think it's healthy to have somebody saying, "My money is gaining interest. I'm watching my money grow." I wish I could—this is an important concept that we're talking about that ought to apply to every single American, not just those who are fortunate enough to work in Galveston County, not just those who are fortunate enough to work for the Federal Government, but every American ought to have the option of watching his or her money grow, get a better rate of return is what we say.

Mrs. Novelli. Plus nobody can touch it.

The President. Yes. You just said something else that was profound. What was it?

Mrs. Novelli. Nobody can touch it but you.

The President. Yes, not me but you.

Mrs. Novelli. No, I know. I know. But me. [*Laughter*]

The President. Yes, nobody can touch it but you. [*Laughter*]

Mrs. Novelli. Right, just you.

The President. Yes, that's interesting, isn't it. Syl was talking about the file cabinets—file cabinets of IOUs, basically the asset of the Social Security system—paper. And Kathryn is talking about her retirement plan is based upon something the Government can't take away. It's hers. Nobody can touch it but Kathryn. And that's really an important difference between a modern Social Security system, where we repair the hole in the safety net for future generations of Americans, and today's Social Security system.

Social Security has worked really well for a lot of people, and it's an important, important system. It's not going to work well for younger Americans. And now is the time for the Congress to set aside political differences and come to the table in good faith to solve this problem.

We got some—thank you very much, Kathryn. You did a great job.

We got the Bentleys with us—good job—Chris and Bea Bentley. We'll start with Chris, if that's okay. Chris, you have two jobs?

Christopher Bentley. Yes, sir. I'm currently—I've been employed with Galveston County for 13 years.

The President. Yes.

Mr. Bentley. I've been putting into the alternate plan since I started. It's a great plan. You get back twice what you put into it. You can monitor it. You can manage it. And best of all, like you said, it's locked.

The President. Yes.

Mr. Bentley. Nobody can touch that.

The President. And what's your other job?

Mr. Bentley. Currently, I'm also in the Army National Guard. I'm a—[*applause*]—thank you. I'm currently deployed with the 36th Infantry Division——

The President. Say that again? Some of us older baby boomers have trouble hearing. [*Laughter*]

Mr. Bentley. I'm currently deployed with the 36th Infantry Division out of Austin.

The President. Yes.

Mr. Bentley. And we're operating in central Iraq. I'll be back there next week.

The President. So you're home—home on leave?

Mr. Bentley. Yes, sir, I'll be back there next week.

The President. Yes, thanks for serving. Any observations or thoughts?

Mr. Bentley. It just seems like progress is being made, and I got a good bunch of guys. They're doing good things. And every day we go out and do what we do, and we're motivated to do it.

The President. Yes. Send them a message.

Mr. Bentley. Yes, sir.

The President. First, the country is with them, and secondly, that their work is really important to—for peace. This is a mission of spreading freedom, and free societies are peaceful societies. And a free society in the heart of the Middle East will be an amazing legacy for generations to come. And I appreciate their sacrifice.

Mr. Bentley. Yes, sir. Thank you.

The President. All right.

Bea Bentley, how many children you got? Want to go back to Chris? [*Laughter*] She's proud of her man.

Mr. Bentley. Yes.

The President. How many children you got?

Mr. Bentley. We have two children. We have a 4-year-old son named Patrick, and a 3-month-old daughter named Elaine that I just got to meet for the first time.

The President. Really?

Mr. Bentley. Yes, sir.

The President. No wonder you're emotional. [*Laughter*] That's awesome.

Bea Bentley. She was born 2 days after he deployed.

The President. Yes, great. Where was she born?

Mrs. Bentley. Right here at UTMB.

The President. How was the care?

Mrs. Bentley. It was wonderful.

The President. Awesome, isn't it?

Mrs. Bentley. Absolutely wonderful. Everyone here has been wonderful to us.

The President. Congratulations. And you work? What is your job?

Mrs. Bentley. I've been with the county for 13 years. I worked in Judge Yarbrough's office for 8.

The President. That deserves combat pay. [*Laughter*]

Mrs. Bentley. I'm an administrative assistant in his office, and I enjoy working for the county. When I came to work for the county in 1993, the gentleman I came to work for, that was a big selling point for him to get me to come here—was there were two retirement plans, and if I stay until I retire, what a huge benefit it would be for me and my family in the end.

The President. It's interesting, isn't it—allow you to watch your own money grow—it becomes a recruiting tool to convince people that this is a good place to work.

Anyway, so you decided to work.

Mrs. Bentley. Yes, sir, I've been very happy here. And I like to—I get my statement every quarter and enjoy seeing my money. You know, I see how much money is in there, what I'm going to get, the county's contribution to that plan.

The President. And how does it come? Does it come by mail? Internet?

Mrs. Bentley. Yes, it comes in the mail. You can—I think—I don't know if you can get it on the Internet yet or not.

The President. Probably can, one of these days. Right, Judge?

Judge Yarbrough. Working on that. [*Laughter*]

The President. Nothing like citizen's participation in government. [*Laughter*] Think about that. You know, there's an interesting notion amongst some—I think it's a dwindling few—that says there's an investor

class in America and only a certain person can invest, only a certain type of person. And I—first of all, I can't stand that thought. I think we ought to encourage everybody to be an investor and an owner, not just a few, not just Wall Street or whatever. And here's Bea talking about watching her own money grow. That's a healthy—a healthy society is one in which people have got a stake in the future. In other words, when you watch your money grow or shrink, it tends to make you put people in office that will do a better job of growing the economy, for example.

I'm not putting in words in your mouth, but—[*laughter*]. And so, how hard has it been to become financially literate? That's something we hear, you know, "There's such a—there's financial illiteracy. Therefore, certain people probably shouldn't be allowed to watch their own assets." I mean, that—I presume it's easy to understand the statement and all the different options and bonds and all the fancy words that are thrown in.

Mrs. Bentley. Yes, sir, definitely. I mean, you get your statement every quarter, and you see what your contribution is and the contribution that the county makes, how much you'll make when you retire, if you left today, what you would get when you do retire.

The President. And they calculate the growth, I guess, rate of return.

Mrs. Bentley. Yes, sir, they do. Yes, sir.

The President. Rate of return is an interesting thought. It means, basically, how fast your money is growing.

Mrs. Bentley. Correct. Yes, sir.

The President. And has it—are you—the recruitment tool, has it paid off? Has it turned out to be what you thought it was going to be? In other words, when they——

Mrs. Bentley. Very much so, yes.

The President. Besides his charming personality and stuff. [*Laughter*]

Mrs. Bentley. I've been very fortunate to be in Judge Yarbrough's——

The President. Now, forget that part. I'm talking about the—[*laughter*]—get back to the subject, will you? [*Laughter*]

Mrs. Bentley. Yes, I like to know that my money is going to be there when I retire.

The President. Now, when you retire, can you—what is the idea of—can you leave it to your kids?

Mrs. Bentley. Oh, definitely.

The President. It becomes a part of your asset base, so you get to decide.

Mrs. Bentley. Yes, sir. You know, God forbid something should happen to one of us, our kids will get that money and have, for their education or forever—hopefully, education—to use that. So that's their money. When it's not—when we're gone, it's their money.

The President. Good. See, it's an interesting thought, isn't it? A little different from the system today. You don't hear anybody saying, "Gosh, I'm leaving my Social Security savings account to my son or daughter." There is no Social Security savings account. There's paper in a file cabinet. Hers is in a solid asset. I think it's refreshing for this country to sit around a table with our fellow citizens talking about real assets, something they watch grow.

So I want to thank our panelists. Judge, thanks, thank you. Kathryn, thanks. Who's ever writing your material, send them my way. [*Laughter*] Bentleys, thanks. Thanks for your—both of your service. Syl, thanks for coming.

I hope you've enjoyed this. This is a series of discussions I've had around our country, discussions I'll continue to have. Those of us who've been elected to public office are—have the duty to solve problems. Syl talked about the problem in terms of 2017, 2040. That's not very long—2017 isn't very far down the road. If you've got a 6-year-old child, your child is going to be voting pretty soon. Trust me; I've seen it happen in our family, how the kids grow up faster than you know. And the system

starts heading into the red, and we're going to be confronted—we'll be leaving a generation behind.

Listen, the generation that preceded us baby boomers made a lot of sacrifices and can say they've left behind a better America. They took on the Nazis and our enemies, worked hard, built a fabulous country. Now it's our generation's time to lead and leave behind a better America. That's the calling of this generation.

And I am confident we'll get something done in Washington, DC. I'm confident because eventually the voice of the people will reach and penetrate the halls of the House and Senate. They're going to say, "We have a serious problem. Why aren't you doing something about it?"

I look forward to doing something about it with people of both political parties, to permanently solve the Social Security system once and for all, and then we can say we did our duty.

Thanks for coming.

NOTE: The President spoke at 12:33 p.m. in the William C. Levin Hall at the University of Texas Medical Branch. In his remarks, he referred to Mayor Lyda Ann Thomas of Galveston, TX; and John D. Stobo, president, University of Texas Medical Branch. A participant referred to Richard Gornto, president, and Tolbert Newman, vice president, First Financial Benefits, Inc.

Remarks to the Small Business Administration's National Small Business Week Conference
April 27, 2005

Thanks for the warm welcome. I appreciate such a generous welcome. Marianne, thank you for your introduction, and congratulations on being the Small Business Person of the Year. You had some pretty stiff competition. [*Laughter*] I appreciate the courage that Marianne has shown and her determination to succeed. She is proof that the entrepreneurial spirit in America is really strong.

I want to thank Hector Barreto, the SBA Administrator. I appreciate the fine job he's done. It was my honor to meet the—some of the State Small Business Person of the Year honorees. Congratulations. I appreciate the Ambassadors who are here. *Embajadores,* thank you for coming. And I appreciate you all giving me a chance to come by and visit with you. [*Laughter*]

I appreciate the fact that our small-business owners are taking risks and pursuing dreams, and as a result, you're creating jobs for millions of our citizens. A vibrant small-business sector is important for the economic health of our country. I appreciate the fact that the small-business entrepreneurs are some of the great innovators in our Nation. After all, men and women who run small businesses have a vision to see beyond what is and the courage to pursue what might be.

From Thomas Edison's light bulb to Alexander Graham Bell's telephone to Henry Ford's Model T, most Americans—most of America's great inventions began with the innovative spirit of entrepreneurs. And today, a new generation of entrepreneurs is leading a technological revolution that will transform our lives in incredible ways. I'm going to spend a little time talking about how technology can help us.

One of the roles of an administration is to set an agenda, a clear agenda. I've laid out an agenda that I believe will unleash the innovative spirit of our small-business entrepreneurs. We can't make you

successful, but we can create an environment in which people can dream big dreams in which people are willing to risk capital. We need to keep your taxes low. We need to protect you from needless regulation and the burden of junk lawsuits. We'll continue to work to open up new markets for your products. The House of Representatives and the United States Senate needs to pass CAFTA legislation, free-market agreement with Central America.

We'll continue to work to lower the cost of health care by insisting that health care modernize itself through electronic records and helping to spread health savings accounts—they're particularly good for small businesses—and to work with the United States Congress to finally pass medical liability reform. I look forward to working with the Congress to create association health plans so small businesses can buy insurance, can pool risk across jurisdictional boundaries so they can buy insurance at the same discounts that big businesses can.

As small-business owners, you know that a dollar should be spent wisely or not at all. That same standard ought to apply to the Federal Government when it comes time to spending your money. I've submitted a disciplined budget to the Congress that meets our priorities, that restrains Federal spending and keeps us on track to cut the deficit in half by 2009. I appreciate the fact that the Senate has passed a version of the budget and the House has passed a version of the budget. Now it's time for them to come together and pass a budget resolution this week.

By restraining Federal spending, by keeping taxes low, we'll keep this economy growing and keep the innovative spirit strong. But in order to make sure our economy grows, in order to make sure people are still able to find opportunity, in order to encourage small-business sector growth and vitality, we need to address a major problem facing our country, and that is our Nation's growing dependence on foreign sources of energy.

Technology is allowing us to better use our existing energy resources. And in the years ahead, technology will allow us to create entirely new sources of energy in ways earlier generations could never dream. Technology is the ticket, is this Nation's ticket to greater energy independence, and that's what I want to talk about today. I fully understand that many folks around this country are concerned about the high price of gasoline. I know small-business owners are.

I went to Fort Hood the other day—it's right around the corner from Crawford—[*laughter*]—and sat down with some of our troops, and we had dinner—lunch, in Texas they call dinner—[*laughter*]—the noon meal and supper the evening meal. [*Laughter*] I'm trying to standardize the language. [*Laughter*] We sat down for lunch. [*Laughter*]

And I was asking the soldiers, you know, what was on your mind—what was on their mind. And a fellow said, "Why don't you lower gas prices—gasoline prices, Mr. President?" Obviously, gasoline prices were on his mind. I said, "I wish I could. If I could, I would." I explained to him that the higher cost of gasoline is a problem that has been years in the making. To help in the near term, we'll continue to encourage oil-producing countries to maximize their production, to say to countries that have got some excess capacity, "Get it on the market so you do not destroy the consumers that you rely upon to buy your energy."

We're doing everything we can to make sure our consumers are treated fairly, that there is no price gouging. Yet the most important thing we can do today is to address the fundamental problem of our energy situation. That's the most important thing we can do. And the fundamental problem is this: Our supply of energy is not growing fast enough to meet the demands of our growing economy.

Over the past decade, our energy consumption has increased by more than 12

percent, while our domestic production has increased by less than one-half of 1 percent. A growing economy causes us to consume more energy. And yet we're not producing energy here at home, which means we're reliant upon foreign nations. And at the same time we've become more reliant upon foreign nations, the global demand for energy is growing faster than the global supply. Other people are using more energy as well, and that's contributed to a rise in prices.

Because of our foreign energy dependence, our ability to take actions at home that will lower prices for American families is diminishing. Our dependence on foreign energy is like a foreign tax on the American people. It's a tax our citizens pay every day in higher gasoline prices and higher costs to heat and cool their homes. It's a tax on jobs, and it's a tax that is increasing every year.

The problem is clear. This problem did not develop overnight, and it's not going to be fixed overnight. But it's now time to fix it. See, we've got a fundamental question we've got to face here in America: Do we want to continue to grow more dependent on other nations to meet our energy needs, or do we want to do what is necessary to achieve greater control of our economic destiny?

I made my decision. I know what is important for this country to become less dependent on foreign sources of energy, and that requires a national strategy. Now, when I first got elected, I came to Washington and I said, "We need a national strategy," and I submitted a national strategy to the United States Congress. And it has been stuck. And now it's time for the Congress to pass the legislation necessary for this country to become less dependent on foreign sources of energy.

And the most important component of our strategy is to recognize the transformational power of technology. Over the last quarter century, technology has radically changed the way we live and work. Think about this: Just 25 years ago—for a guy 58 years old, that doesn't seem all that long ago—[*laughter*]—if you're 24 years old, it's a heck of a long time ago. [*Laughter*] In the 1980s, most Americans used typewriters instead of computers. We used pay phones instead of cell phones. We used carbon paper instead of laser printers. We had bank tellers instead of ATMs. [*Laughter*] We had Rolodexes instead of PDAs. And for long family trips, we played the "license plate" game—[*laughter*]—instead of in-car DVDs. [*Laughter*] We've seen a lot of change in a quick period of time, haven't we?

I believe the next 25 years, the changes are going to be even more dramatic. Our country is on the doorstep of incredible technological advances that will make energy more abundant and more affordable for our citizens. By harnessing the power of technology, we're going to be able to grow our economy, protect our environment, and achieve greater energy independence. That's why I'm so optimistic about our future here in America.

The first essential step toward greater energy independence is to apply technology to increase domestic production from existing energy resources. And one of the most promising sources of energy is nuclear power. Today's technology has made nuclear power safer, cleaner, and more efficient than ever before. Nuclear power is now providing about 20 percent of America's electricity, with no air pollution or greenhouse gas emissions. Nuclear power is one of the safest, cleanest sources of power in the world, and we need more of it here in America.

Unfortunately, America has not ordered a new nuclear powerplant since the 1970s. France, by contrast, has built 58 plants in the same period. And today, France gets more than 78 percent of its electricity from safe, clean nuclear power.

It's time for America to start building again. That's why, 3 years ago, my administration launched the Nuclear Power 2010

Initiative. This is a 7-year, $1.1 billion effort by Government and industry to start building new nuclear powerplants by the end of this decade. One of the greatest obstacles we face to building new plants is regulatory uncertainty, which discourages new plant construction. Since the 1970s, more than 35 plants were stopped at various stages of planning and construction because of bureaucratic obstacles. No wonder—no wonder the industry is hesitant to start building again. We must provide greater certainty to those who risk capital if we want to expand a safe, clean source of energy that will make us less dependent on foreign sources of energy.

To do so, I've asked the Department of Energy to work on changes to existing law that will reduce uncertainty in the nuclear plant licensing process and also provide Federal risk insurance that will protect those building the first four new nuclear plants against delays that are beyond their control. A secure energy future for America must include more nuclear power.

A secure energy future for America also means building and expanding American oil refineries. Technology has allowed us to better control emissions and improve the efficiency and environmental performance of our existing refineries. Yet there have been no new oil refineries built in the United States since 1976, and existing refineries are running at nearly full capacity. Our demand for gasoline grows, which means we're relying more on foreign imports of refined product.

To encourage the expansion of existing facilities, the EPA is simplifying rules and regulations. I will direct Federal agencies to work with States to encourage the building of new refineries on closed military facilities, for example, and to simplify the permitting process for such construction. By easing the regulatory burden, we can refine more gasoline for our citizens here at home. That will help assure supply and reduce dependence on foreign sources of energy.

Advances in technology will also allow us to open up new areas to environmentally responsible exploration for oil and natural gas, including the Arctic National Wildlife Refuge. Technology now makes it possible to reach ANWR's hydrocarbons by drilling on just 2,000 acres of the 19 million acres of land. That's just one-tenth of 1 percent of ANWR's total area. Because of the advances in technology, we can reach the oil deposits with almost no impact on land or local wildlife. Developing this tiny section of ANWR could eventually yield up to a million barrels of oil per day. That's a million barrels less that we've depended on from foreign sources of energy. Listen, the more oil we can produce in environmentally sensitive ways here at home, the less dependent our economy is, the less reliant we are on other parts of the world.

Technology is allowing us to make better use of natural gas. Natural gas is an important source of energy for industries like agriculture or manufacturing or power production. The United States has the sixth-largest proven reserves of natural gas in the world, and we'll do more to develop this vital resource. That's why I signed into law a tax credit to encourage a new pipeline to bring Alaskan natural gas to the rest of the United States.

Technology is also helping us to get at reserves of natural gas that cannot be reached—easily reached by pipelines. Today, we're able to super-cool natural gas into liquid form so it can be transported on tankers and stored more easily. Thanks to this technology, our imports of liquefied natural gas nearly doubled in 2003. Last year, imports rose another 29 percent. But our ability to expand our use of liquefied natural gas is limited, because today, we have just five receiving terminals and storage facilities around the United States.

To take advantage of this new—this technology, Federal agencies must expedite the review of the 32 proposed new projects that will either expand or build new liquefied natural gas terminals. In other words,

there's projects on the books, and we're going to get after the review process. Congress should make it clear to the Federal Energy Regulatory Commission its authority to choose sites for new terminals, so we can expand our use of liquefied natural gas.

Technology also allows us to use our most abundant energy source in a smart way. America has enough coal to last for 250 years. But coal presents an environmental challenge. To make cleaner use of this resource, I have asked Congress for more than $2 billion over 10 years for my Coal Research Initiative. It's a program that will encourage new technologies that remove virtually all pollutants from coal-fired powerplants. My Clear Skies Initiative will result in more than $52 billion in investment in clean coal technologies by the private sector. To achieve greater energy dependence, we must put technology to work so we can harness the power of clean coal.

The second essential step toward greater energy independence is to harness technology to create new sources of energy. Hydrogen is one of the most promising of these new sources of energy. Two years ago, my administration launched a crash program called the Hydrogen Fuel Initiative. We've already dedicated $1.2 billion over 5 years to this effort to develop hydrogen-powered fuel cells. We know that when hydrogen is used in the fuel cell, it has the power to—potential to power anything from a cell phone to a computer to an automobile that emits pure water instead of exhaust fumes.

I've asked Congress for an additional 500 million over 5 years to help move advanced technology vehicles from the research lab to the dealership lot. See, I want the children here in America—you two are sitting there—to be able to take your driver's test in a completely pollution-free car that will make us less dependent on foreign sources of energy. To help produce fuel for these cars, my administration has also launched a Nuclear Hydrogen Initiative, an effort to develop advanced nuclear technologies that can produce hydrogen fuels for cars and trucks. My budgets have dedicated $35 million over the past 3 years and will continue this effort.

In other words, we're developing new technologies that will change the way we drive. See, I know what we're going to need to do for a generation to come. We need to get on a path away from the fossil fuel economy. If we want to be less dependent on foreign sources of energy, we must develop new ways to power automobiles. My administration is committed to finding those new ways, and we're working with industry to do so.

Ethanol is another promising source of energy. I like the idea of people growing corn that gets converted into fuel for cars and trucks. Our farmers can help us become less dependent on foreign oil. Technology is now under development that may one day allow us to get ethanol from agricultural and industrial waste.

We can produce another renewable fuel, biodiesel, from leftover fats and vegetable oils. I mean, we're exploring a lot of alternatives. Ethanol and biodiesel have got great potential. And that's why I've supported a flexible, cost-effective renewable fuel standard as part of the energy bill. This proposal would require fuel producers to include a certain percentage of ethanol and biodiesel in their fuel and would increase the amount of these renewables in our Nation's fuel supply. Listen, more corn means more ethanol, which means less imported oil.

Technology can also help us tap into a vital source that flows around us all the time, and that is wind. That's why I've asked Congress to provide 1.9 billion over 10 years for tax incentives for renewable energy technologies like wind, as well as residential solar heating systems and energy produced from landfill gas and biomass. An energy strategy must be comprehensive, all aimed at making us less dependent.

A third essential step toward greater energy independence is to harness the power of technology so we can continue to become better conservers of energy. Already, technology is helping us grow our economy while using less energy. For example, in 1997, the U.S. steel industry used 45 percent less energy to produce a ton of steel than it did in 1975. The forest and paper industry used 21 percent less energy to produce a ton of paper. In other words, we're making advances in conservation. And in the years ahead, if we're smart about what we do, we can become even more productive while conserving even more energy.

Technological advances are helping develop new products that give our consumers the same and even better performance at lower cost by using less energy. Think about this: You can buy a refrigerator that uses the same amount of power as a 75-watt light bulb. It's a remarkable advance when it comes to helping consumers save money on energy. Advances in energy-efficient windows keep hot and cold air in and prevent your dollars from flowing out. High efficiency light bulbs last longer than traditional ones, while requiring less electricity.

These and other technological advances are saving our consumers a lot of money, and there's more work to be done. Let me tell you this, in 2001, the average American family spent about half as much to heat its home as it did in 1978. Think about what's possible over the next 25 years. We can imagine a day when technologies like solar panels, high-efficiency appliances, and advanced installation will allow us to build zero-energy homes that produce as much energy as they consume. That's the promise that technology holds for us all.

And as we make our homes more energy-efficient, we're doing the same with our automobiles. Hybrid vehicles are one of the most promising technologies immediately available to consumers. These cars are powered by a combination of gasoline and electricity. They provide better fuel efficiency, ultra-low emissions, and exceptional performance. And their electronic systems are paving the way for tomorrow's hydrogen-powered vehicles.

We're encouraging automakers to produce a new generation of modern, clean diesel cars and trucks. My administration has issued new rules that will remove more than 90 percent of the sulfur in diesel fuel by 2010. Clean diesel technology will allow consumers to travel much farther on each gallon of fuel, without the smoke and pollution of past diesel engines. We've proposed $2.5 billion over 10 years in tax credits that will encourage consumers to buy energy-efficient hybrid cars and trucks, and we need to extend these incentives to include clean diesel vehicles as well.

As we conserve energy at home and on the road, technology will help us deliver it more efficiently. New technologies such as superconducting powerlines can help us bring our electrical grid into the 21st century and protect American families and businesses from damaging power outages. Some of you who live in the Midwest and on the east coast know what I'm talking about, damaging power outages. We have modern interstate grids for our phonelines and our highways. It's time for America to build a modern electricity grid.

The electricity title is an important part of the energy bill. As a matter of fact, a lot of which I've discussed so far is an important part of the energy bill that needs to get passed by the United States Congress before August of this year. The House acted, and I appreciate the leadership in the House. Now it's time for the United States Senate to act. And then it's time for them to get together and iron out their differences and get me a bill so I can sign.

The fourth essential step toward greater energy independence is to make sure other nations can take advantage in advances—take advantage of the advances in technology to reduce their own demand. Listen,

we need to remember that the market for energy is a global one, and we're not the only large consumer. Much of the current projected rise in energy prices is due to rising energy consumption in Asia. As Asian economies grow, their demand for energy is growing, and the demand for energy is growing faster than the supply of energy is increasing. And as small-business people, you understand what happens when demand is larger than supply; you hope that's the case for the products you produce. [*Laughter*] Our costs—our prices are going up. It is in our interest to help these countries become more energy self-sufficient. That will help reduce demand, which will help take pressure off price and, at the same time, help protect the environment.

I'm looking forward to going to a G–8 meeting in July in Great Britain. And there I'm going to work with developed nations, our friends and allies to help developing nations, countries like China and India to develop and deploy clean energy technology. Like us, some of these countries have got substantial coal reserves. We need to find practical ways to help these countries take advantage of clean coal technology.

As well we will explore ways we can work with like-minded countries to develop advance nuclear technologies that are safe, clean, and protect against proliferation. With these technologies, with the expansion of nuclear power, we can relieve stress on the environment and reduce global demand for fossil fuels. That would be good for the world, and that would be good for American consumers as well.

This strategy will work for our children and our grandchildren. We should have put this in place several decades ago. We haven't had a national energy strategy in this country for a long period of time. I tried to get the Congress to pass it 4 years ago. Now is the time for them to act. For the sake of this country, for the sake of a growing economy, and for the sake of national security, we've got to do what it takes to expand our independence. We must become less dependent. And there's no doubt in my mind that technology is going to help us achieve that objective.

One reason why I believe so strongly is because free societies are able to adjust to the times, and we're the freest of free societies. We're a society where it doesn't matter where you were raised or where you're from. If you've got a dream, you can pursue it and realize your dream.

Our country has always responded to challenges because we've got people with such great imaginations and such drive and such determination. Twenty-five years from now, people are going to look back and say, "I like my hydrogen-powered automobile"—[*laughter*]—you know, "I produced a little extra energy this year from my home." Our farmers are going to be saying, "You know, the crop's up, and we're less dependent."

Now is the time to put that strategy in place. Now is the time to do the right thing for America. Now is the time to set aside political differences and focus on what is good for the United States of America. And with your help, we'll achieve that.

God bless you all. Thanks for coming.

NOTE: The President spoke at 2:16 p.m. at the Hilton Washington Hotel. In his remarks, he referred to Marianne Sensale-Guerin, president and owner, Guerin Associates, LLC, and 2005 SBA National Small Business Person of the Year.

Statement on House of Representatives Passage of Child Interstate Abortion Notification Legislation
April 27, 2005

I commend the House for its bipartisan vote to protect the health and safety of minors by ensuring that State parental involvement laws are not circumvented. The parents of pregnant minors can provide counsel, guidance, and support to their children and should be involved in these decisions. I urge the Senate to pass this important legislation and help continue to build a culture of life in America.

NOTE: The statement referred to H.R. 748.

Statement on the Iraqi Transitional National Assembly's Vote To Confirm Prime Minister Ibrahim al-Jafari and His Cabinet
April 28, 2005

Iraq's Transitional National Assembly has voted by an overwhelming margin to confirm Ibrahim al-Jafari as Iraq's next Prime Minister. They also have approved a list of Cabinet ministers who will represent the unity and diversity of Iraq in the months ahead. I join with all Americans in congratulating Iraq's new leaders and in wishing them well as they begin to serve their country in this new Government. I appreciate the dedicated work of the outgoing Interim Government, which has governed Iraq for the last 10 months.

The Iraqi Transitional Government will confront important challenges in fighting terrorists and enemies of democracy, training the Iraqi security forces, and providing basic services to its citizens. It will also lead the difficult and essential work of drafting a new constitution for a free and democratic Iraq. The United States is confident that the new Government will meet these challenges in the months ahead, and America will stand by Iraq, its leaders, and the Iraqi people as they continue their work to establish a stable, peaceful, and democratic Iraq.

Statement on House of Representatives Passage of a Budget Framework Resolution
April 28, 2005

I applaud the House for passing a budget framework that protects America, helps economic growth, funds our priorities, and keeps us on track to cut the deficit in half by 2009. This is a responsible budget that reins in spending to limits not seen in years. I appreciate the Members of Congress in the House and the Senate who worked hard to produce this agreement and who support its passage. It is not the Government's money that gets spent in Washington, DC. It is the people's money, and taxpayer dollars must be spent wisely or not spent at all.

The President's News Conference
April 28, 2005

The President. Good evening. Tonight I will discuss two vital priorities for the American people, and then I'd be glad to answer some of your questions.

Millions of American families and small businesses are hurting because of higher gasoline prices. My administration is doing everything we can to make gasoline more affordable. In the near term, we will continue to encourage oil-producing nations to maximize their production. Here at home, we'll protect consumers. There will be no price gouging at gas pumps in America.

We must address the root causes that are driving up gas prices. Over the past decade, America's energy consumption has been growing about 40 times faster than our energy production. That means we're relying more on energy produced abroad.

To reduce our dependence on foreign sources of energy, we must take four key steps. First, we must better use technology to become better conservers of energy. Secondly, we must find innovative and environmentally sensitive ways to make the most of our existing energy resources, including oil, natural gas, coal, and safe, clean nuclear power. Third, we must develop promising new sources of energy, such as hydrogen or ethanol or biodiesel. Fourth, we must help growing energy consumers overseas like China and India apply new technologies to use energy more efficiently and reduce global demand of fossil fuels.

I applaud the House for passing a good energy bill. Now the Senate needs to act on this urgent priority. American consumers have waited long enough. To help reduce our dependence on foreign sources of energy, Congress needs to get an energy bill to my desk by this summer so I can sign it into law.

Congress also needs to address the challenges facing Social Security. I've traveled the country to talk with the American people. They understand that Social Security is headed for serious financial trouble, and they expect their leaders in Washington to address the problem.

Social Security worked fine during the last century, but the math has changed. A generation of baby boomers is getting ready to retire. I happen to be one of them. Today, there are about 40 million retirees receiving benefits. By the time all the baby boomers have retired, there will be more than 72 million retirees drawing Social Security benefits. Baby boomers will be living longer and collecting benefits over long retirements than previous generations. And Congress has ensured that their benefits will rise faster than the rate of inflation.

In other words, there's a lot of us getting ready to retire who will be living longer and receiving greater benefits than the previous generation. And to compound the problem, there are fewer people paying into the system. In 1950, there were 16 workers for every beneficiary; today, there are 3.3 workers for every beneficiary; soon there will be 2 workers for every beneficiary.

These changes have put Social Security on the path to bankruptcy. When the baby boomers start retiring in 3 years, Social Security will start heading toward the red. In 2017, the system will start paying out more in benefits than it collects in payroll taxes. Every year after that, the shortfall will get worse, and by 2041, Social Security will be bankrupt.

Franklin Roosevelt did a wonderful thing when he created Social Security. The system has meant a lot for a lot of people. Social Security has provided a safety net that has provided dignity and peace of mind for millions of Americans in their retirement. Yet there's a hole in the safety

net because Congresses have made promises it cannot keep for a younger generation.

As we fix Social Security, some things won't change: Seniors and people with disabilities will get their checks; all Americans born before 1950 will receive the full benefits.

Our duty to save Social Security begins with making the system permanently solvent, but our duty does not end there. We also have a responsibility to improve Social Security by directing extra help to those most in need and by making it a better deal for younger workers.

Now, as Congress begins work on legislation, we must be guided by three goals. First, millions of Americans depend on Social Security checks as a primary source of retirement income, so we must keep this promise to future retirees as well. As a matter of fairness, I propose that future generations receive benefits equal to or greater than the benefits today's seniors get.

Secondly, I believe a reform system should protect those who depend on Social Security the most. So I propose a Social Security system in the future where benefits for low-income workers will grow faster than benefits for people who are better off. By providing more generous benefits for low-income retirees, we'll make this commitment: If you work hard and pay into Social Security your entire life, you will not retire into poverty. This reform would solve most of the funding challenges facing Social Security. A variety of options are available to solve the rest of the problem, and I will work with Congress on any good-faith proposal that does not raise the payroll-tax rate or harm our economy. I know we can find a solution to the financial problems of Social Security that is sensible, permanent, and fair.

Third, any reform of Social Security must replace the empty promises being made to younger workers with real assets, real money. I believe the best way to achieve this goal is to give younger workers the option, the opportunity, if they so choose, of putting a portion of their payroll taxes into a voluntary personal retirement account. Because this money is saved and invested, younger workers would have the opportunity to receive a higher rate of return on their money than the current Social Security system can provide.

The money from a voluntary personal retirement account would supplement the check one receives from Social Security. In a reformed Social Security system, voluntary personal retirement accounts would offer workers a number of investment options that are simple and easy to understand. I know some Americans have reservations about investing in the stock market, so I propose that one investment option consist entirely of Treasury bonds, which are backed by the full faith and credit of the United States Government.

Options like this will make voluntary personal retirement accounts a safer investment that will allow an American to build a nest egg that he or she can pass on to whomever he or she chooses. Americans who would choose not to save in a personal account would still be able to count on a Social Security check equal to or higher than the benefits of today's seniors.

In the coming days and weeks, I will work with both the House and the Senate as they take the next steps in the legislative process. I'm willing to listen to any good idea from either party.

Too often, the temptation in Washington is to look at a major issue only in terms of whether it gives one political party an advantage over the other. Social Security is too important for "politics as usual." We have a shared responsibility to fix Social Security and make the system better, to keep seniors out of poverty and expand ownership for people of every background. And when we do, Republicans and Democrats will be able to stand together and take credit for doing what is right for our children and our grandchildren.

And now I'll be glad to answer some questions, starting with Terry Hunt [Associated Press].

Social Security Reform/Polls

Q. Mr. President, a majority of Americans disapprove of your handling of Social Security, rising gas prices, and the economy. Are you frustrated by that and by the fact that you're having trouble gaining traction on your agenda in a Republican-controlled Congress?

The President. Look, we're asking people to do things that haven't been done for 20 years. We haven't addressed the Social Security problem since 1983. We haven't had an energy strategy in our country for decades. And so I'm not surprised that some are balking at doing hard work. But I have a duty as the President to define problems facing our Nation and to call upon people to act. And we're just really getting started in the process.

You asked about Social Security. For the past 60 days, I've traveled our country making it clear to people, we have a problem. That's the first step of any legislative process, is to explain to the people the nature of the problem, and the American people understand we have a problem.

I've also spent time assuring seniors they'll get their check. That's a very important part of making sure we end up with a Social Security reform. I think if seniors feel like they're not going to get their check, obviously nothing is going to happen.

And we're making progress there too, Terry, as well. See, once the American people realize there's a problem, then they're going to start asking Members of Congress from both parties, "Why aren't you doing something to fix it?" And I am more than willing to sit down with people of both parties to listen to their ideas. Today I advanced some ideas. I'm moving the process along. And the legislative process is just getting started, and I'm optimistic we'll get something done.

Q. Is the poll troubling?

The President. Polls? You know, if a President tries to govern based upon polls, you're kind of like a dog chasing your tail. I don't think you can make good, sound decisions based upon polls. And I don't think the American people want a President who relies upon polls and focus groups to make decisions for the American people.

Social Security is a big issue, and it's an issue that we must address now. You see, the longer we wait, the more expensive the solution is going to be for a younger generation of Americans. The Social Security trustees have estimated that every year we wait to solve the problem, to fix the hole in the safety net for younger Americans, costs about $600 billion. And so my message to Congress is: Let's do our duty; let's come together to get this issue solved.

Steve [Steve Holland, Reuters].

Iraq

Q. Your top military officer, General Richard Myers, says the Iraqi insurgency is as strong now as it was a year ago. Why is that the case? And why haven't we been more successful in limiting the violence?

The President. I think he went on to say we're winning, if I recall. But nevertheless, there are still some in Iraq who aren't happy with democracy. They want to go back to the old days of tyranny and darkness, torture chambers, and mass graves. I believe we're making really good progress in Iraq, because the Iraqi people are beginning to see the benefits of a free society. They're beginning—they saw a Government formed today.

The Iraqi military is being trained by our military, and they're performing much better than the past. The more secure Iraq becomes as a result of the hard work of Iraqi security forces, the more confident [confidence] * the people will have in the process and the more isolated the terrorists will become.

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* White House correction.

But Iraq has—have got people there that are willing to kill, and they're hard-nosed killers. And we will work with the Iraqis to secure their future. A free Iraq in the midst of the Middle East is an important part of spreading peace. It's a region of the world where a lot of folks in the past never thought democracy could take hold. Democracy is taking hold, and as democracy takes hold, peace will more likely be the norm.

In order to defeat the terrorists, in order to defeat their ideology of hate in the long run, we must spread freedom and hope. Today I talked to the Prime Minister of Iraq. I had a great conversation with him. I told him I was proud of the fact that he was willing to stand up and lead. I told him I appreciated his courage and the courage of those who are willing to serve the Iraqi people in government. I told him, I said, "When America makes a commitment, we'll stand by you." I said, "I hope you get your constitution written on time," and he agreed. He recognizes it's very important for the Transitional National Assembly to get the constitution written so it can be submitted to the people on time. He understands the need for a timely write of the constitution.

And I also encouraged him to continue to reaching out to disaffected groups in Iraq, and he agreed. I'm really happy to talk to him. I invited him to come to America. I hope he comes soon. There are a lot of courageous people in Iraq, Steve, that are making a big difference in the lives of that country.

I also want to caution you all that it's not easy to go from a tyranny to a democracy. We didn't pass sovereignty but about 10 months ago, and since that time, a lot of progress has been made. And we'll continue to make progress for the good of the region and for the good of our country.

Gregory. David Gregory [NBC News].

Judicial Nominations/Role of Religion in Society

Q. Thank you, sir. Mr. President, recently the head of the Family Research Council said that judicial filibusters are an attack against people of faith. And I wonder whether you believe that, in fact, that is what is nominating [motivating]* Democrats who oppose your judicial choices? And I wonder what you think generally about the role that faith is playing, how it's being used in our political debates right now?

The President. Yes. I think people are opposing my nominees because they don't like the judicial philosophy of the people I've nominated. Some would like to see judges legislate from the bench. That's not my view of the proper role of a judge.

Speaking about judges, I certainly hope my nominees get an up-or-down vote on the floor of the Senate. They deserve an up-or-down vote. I think for the sake of fairness, these good people I've nominated should get a vote. And I'm hoping that will be the case as time goes on.

The role of religion in our society? I view religion as a personal matter. I think a person ought to be judged on how he or she lives his life or lives her life. And that's how I've tried to live my life, through example. Faith plays an important part of my life, individually, but I don't ascribe a person's opposing my nominations to an issue of faith.

Q. Do you think that's an inappropriate statement? And what I asked is——

The President. No, I just don't agree with it.

Q. You don't agree with it.

The President. No, I think people oppose my nominees because of judicial philosophy.

Role of Religion in Politics

Q. Sir, I asked you what you think——

* White House correction.

The President. No, I know you asked me that.

Q. ——of the way faith is being used in our political debates, not just in society in general.

The President. Well, I can only speak to myself, and I am mindful that people in political office should not say to somebody, "You're not equally American if you don't happen to agree with my view of religion." As I said, I think faith is a personal issue, and I get great strength from my faith. But I don't condemn somebody in the political process because they may not agree with me on religion.

The great thing about America, David, is that you should be allowed to worship any way you want, and if you choose not to worship, you're equally as patriotic as somebody who does worship. And if you choose to worship, you're equally American if you're a Christian, a Jew, a Muslim. That's the wonderful thing about our country, and that's the way it should be.

John [John Roberts, CBS News].

Gasoline Prices/Energy Legislation

Q. Good evening, Mr. President. Several times we've asked you or your aides what you could do about the high price of gasoline, and very often the answer has come back, Congress needs to pass the energy bill. Can you explain for us how, if it were passed, soon after it were introduced, the energy bill would have an effect on the current record price of oil that we're seeing out there?

The President. Yes. John, actually I said in my opening statement that the best way to affect the current price of gasoline is to encourage producing nations to put more crude oil on the market. That's the most effective way, because the price of crude oil determines, in large measure, the price of gasoline. The feedstock for gasoline is crude oil, and when crude oil goes up, the price of gasoline goes up. There are other factors, by the way, that cause the price of gasoline to go up, but the main factor is the price of crude oil. And if we can get nations that have got some excess capacity to put crude on the market, the increased supply, hopefully, will meet increased demand and therefore take the pressure off price.

Listen, the energy bill is certainly no quick fix. You can't wave a magic wand. I wish I could. It's like that soldier at Fort Hood that said, "How come you're not lowering the price of gasoline?" I was having lunch with the fellow, and he said, "Go lower the price of gasoline, President." I said, "I wish I could." It just doesn't work that way.

This is a problem that's been a long time in coming. We haven't had an energy policy in this country, and it's going to take us a while to become less dependent on foreign sources of energy. What I've laid out for the Congress to consider is a comprehensive energy strategy that recognizes we need to be better conservers of energy, that recognizes that we can find more energy at home in environmentally friendly ways.

And obviously a contentious issue in front of the Congress is the issue over the ANWR, which is a part of Alaska. ANWR is 19 million acres of land. Technology now enables us to use just 2,000 of that 19 million to be able to explore for oil and gas so we can have oil and gas produced here domestically.

One of the great sources of energy for the future is liquefied natural gas. There's a lot of gas reserves around the world. Gas is—can only be transported by ship, though, when you liquefy it, when you put it in solid form. We've only got five terminals that are able to receive liquefied natural gas so it can get into our markets. We need more terminals to receive liquefied natural gas from around the world.

We should have a active energy—nuclear energy policy in America. We've got abundant resources of coal, and we're spending money for clean coal technology. So these

are longer term projects all aimed at making us become less dependent on foreign sources of energy.

Terry [Terry Moran, ABC News].

Q. So am I reading correctly that the energy bill would not have had an effect on today's high gasoline——

The President. Well, it would have 10 years ago. That's exactly what I've been saying to the American people—10 years ago, if we'd had an energy strategy, we would be able to diversify away from foreign dependence. And—but we haven't done that, and now we find ourselves in the fix we're in. It's taken us a while to get there, and it's going to take us a while to get out. Hopefully, additional crude oil on the market from countries with some spare capacity will help relieve the price for the American consumers.

Terry.

War on Terror

Q. Mr. President, your State Department has reported that terrorist attacks around the world are at an alltime high. If we're winning the war on terrorism, as you say, how do you explain that more people are dying in terrorist attacks on your watch than ever before?

The President. Well, we've made the decision to defeat the terrorists abroad so we don't have to face them here at home. And when you engage the terrorists abroad, it causes activity and action. And we're relentless—we, the—America and our coalition partners. We understand the stakes, and they're very high because there are people still out there that would like to do harm to the American people.

But our strategy is to stay on the offense, is to keep the pressure on these people, is to cut off their money and to share intelligence and to find them where they hide. And we are making good progress. The Al Qaida network that attacked the United States has been severely diminished. We are slowly but surely dismantling that organization.

In the long run, Terry, like I said earlier, the way to defeat terror, though, is to spread freedom and democracy. It's really the only way in the long term. In the short term, we'll use our troops and assets and agents to find these people and to protect America. But in the long term, we must defeat the hopelessness that allows them to recruit by spreading freedom and democracy. But we're making progress.

Q. So in the near term, you think there will be more attacks and more people dying?

The President. I'm not going to predict that. In the near term, I can only tell you one thing: We will stay on the offense; we'll be relentless; we'll be smart about how we go after the terrorists; we'll use our friends and allies to go after the terrorists; we will find them where they hide and bring them to justice.

Let me finish with the TV people first. Suzanne [Suzanne Malveaux, Cable News Network]. You're not a TV person, Ed [Ed Chen, Los Angeles Times]. I know you'd like to be, but—[*laughter*].

Q. You'd be surprised. [*Laughter*]

The President. It's a tough industry to get into.

Russian Policy in the Middle East/President Putin

Q. Mr. President, it was 4 years ago when you first met with Russian President Vladimir Putin. You said you looked into his eyes and you saw his soul. You'll also be meeting with the Russian leader in about a week or so. What do you think of Putin now that he has expressed a willingness to supply weapons to outlaw regimes, specifically his recent comments that he said he would provide short-range missiles to Syria and nuclear components to Iran?

The President. We have—first, just on a broader—kind of in a broader sense, I

had a long talk with Vladimir there in Slovakia about democracy and about the importance of democracy. And as you remember, at the press conference—or if you weren't there, somebody will remember—he stood up and said he strongly supports democracy. I take him for his word.

I—and we'll continue to work. Condi just—Condi Rice, our Secretary of State, just came back, and she briefed me that she had a very good discussion with Vladimir about the merits of democracy, about the need to listen to the people and have a Government that's responsive.

We're working closely with the Russians on the issue of vehicle-mounted weaponry to Syria. We didn't appreciate that, but we made ourselves clear.

As to Iran, what Russia has agreed to do is to send highly enriched uranium to a nuclear civilian powerplant and then collect that uranium after it's used for electricity—power purposes. That's what they've decided to do.

And I appreciate that gesture. See, what they recognize is that—what America recognizes and what Great Britain, France, and Germany recognize is that we can't trust the Iranians when it comes to enriching uranium, that they should not be allowed to enrich uranium. And what the Iranians have said was, "Don't we deserve to have a nuclear power industry just like you do?" I've kind of wondered why they need one since they've got all the oil, but nevertheless, others in the world say, "Well, maybe that's their right to have their own civilian nuclear power industry." And what Russia has said, "Fine, we'll provide you the uranium. We'll enrich it for you and provide it to you, and then we'll collect it."

And I appreciate that gesture. I think it's—so I think Vladimir was trying to help there. I know Vladimir Putin understands the dangers of a Iran with a nuclear weapon. And most of the world understands that as well.

Wendell [Wendell Goler, FOX News Channel].

John Bolton/Syria

Q. Mr. President, have you asked your Ambassador to the U.N., Ambassador John Bolton, about allegations that he acted improperly to subordinates? Do you feel that these allegations warrant your personal intervention? And if they're true, do you feel that they should disqualify him from holding the post, sir?

The President. Well, John Bolton has been asked the questions about how he handles his business by Members of the United States Senate. He's been asked a lot of questions, and he's given very good answers. John Bolton is a seasoned diplomat. He's been serving our country for, I think, 20 years. He has been confirmed by the United States Senate four times. In other words, he's been up before the Senate before, and they've analyzed his talents and his capabilities, and they've confirmed him.

John Bolton is a blunt guy. Sometimes people say I'm a little too blunt. John Bolton can get the job done at the United Nations. It seemed like to me it made sense to put somebody who's capable, smart, served our country for 20 years, been confirmed by the United States Senate four times, and who isn't afraid to speak his mind in the post of the Ambassador to the U.N.

See, the U.N. needs reform. If you're interested in reforming the U.N., like I'm interested in reforming the U.N., it makes sense to put somebody who's skilled and who is not afraid to speak his mind at the United Nations.

Now, I asked John during the interview process in the Oval Office, I said, "Before I send you up there to the Senate, let me ask you something: Do you think the United Nations is important?" See, I didn't want to send somebody up there who said, "It's not worth a darn. I don't think I need

to go." He said, "No, it's important, but it needs to be reformed."

And I think the United Nations is important. As a matter of fact, I'll give you an example. Today I met with the United Nations representative to Syria, Mr. Larsen. He's an impressive fellow. Now, he's delivered—to Lebanon, excuse me—he's delivered a very strong message to the Syrian leader, though, that the world expects President Asad to withdraw not only his military forces but his intelligence services completely from Lebanon. And now he is in charge of following up to make sure it happens.

I think that's a very important and useful role for the United Nations to play. We have played a role. France has played a role. A lot of nations have played roles. But the United Nations has done a very good job in Syria—with Syria, in Lebanon, of making sure that the world expects the Lebanese elections to be free in May, without Syrian influence. He's an impressive fellow. I applaud him for his hard work. But there's an example of why I think the United Nations is an important body.

On the other hand, the United Nations has had some problems that we've all seen. And if we expect the United Nations to be effective, it needs to clean up its problems. And I think it makes sense to have somebody representing the United States who will be straightforward about the issues.

Stretch [Richard Keil, Bloomberg News]. You mind if I call you Stretch in front of——

Q. I've been called worse.

The President. Okay.

Personal Retirement Accounts in Social Security

Q. Getting back to Social Security for a moment, sir, would you consider it a success if Congress were to pass a piece of legislation that dealt with the long-term solvency problem but did not include personal accounts?

The President. I feel strongly that there needs to be voluntary personal savings accounts as a part of the Social Security system. I mean, it's got to be a part of a comprehensive package. The reason I feel strongly about that is that we've got a lot of debt out there, a lot of unfunded liabilities, and our workers need to be able to earn a better rate of return on our money to help deal with that debt.

Secondly, I like the idea of giving someone ownership. I mean, why should ownership be confined only to rich people? Why should people not be allowed to own and manage their own assets who aren't the, you know, the so-called investor class? I think everybody ought to be given that right. As a matter of fact, Congress felt so strongly that people ought to be able to own and manage their own accounts, they set one up for themselves. You've heard me say—I like to say this, if it's good enough for the Congress, it is—it ought to be good enough for the workers, to give them that option. The Government is never saying, "You have to set up a personal savings account." We're saying, "You ought to have the right to set up a personal saving account so you can earn a better rate of return on your own money than the Government can."

And it's that difference between the rate of return, between what the Government gets on your money and what a conservative mix of bonds and stocks can get on your money, that will make an enormous difference in a person being able to build his or her own nest egg that the Government cannot spend.

Now, it's very important for our fellow citizens to understand there is not a bank account here in Washington, DC, where we take your payroll taxes and hold it for you and then give it back to you when you retire. Our system here is called pay-as-you-go. You pay into the system through your payroll taxes, and the Government spends it. It spends the money on the current retirees, and with the money left over,

it funds other Government programs. And all that's left behind is file cabinets full of IOUs.

The reason I believe that this ought to work is not only should a worker get a better rate of return, not only should we encourage ownership, but I want people to have real assets in the system. I want people to be able to say, "Here's my mix of bonds and stocks that I own, and I can leave it to whomever I want."

And I hear complaints saying, "Well, you know, there's going to be high—Wall Street fees are going to fleece the people." There's ways to have fee structures that are fair. As a matter of fact, all you've got to do is go to some of these States where they've got personal accounts available for their workers, and you'll find that the fees will be fair. People say, "Well, I don't want to have to take risk." Well, as I outlined in my opening statement, there are ways where you don't have to take risk. People say, "I'm worried about the stock market going down right before I retire." You can manage your assets. You can go from bonds and stocks to only bonds as you get older.

In other words, we're giving people flexibility to own their own asset, and I think that's a vital part of making sure America is a hopeful place in the future. So not only will these accounts make the system work better, but the accounts are a better deal. The accounts will mean something for a lot of workers that might not have assets they call their own.

David [David Sanger, New York Times].

Timing of U.S. Troop Withdrawal From Iraq

Q. Mr. President, in your question—your answer before about Iraq, you set no benchmarks for us to understand when it is the troops may be able to——

The President. In Iraq?

Q. In Iraq, yes—about when troops may be able to come back.

The President. Right.

Q. Based on what you've learned now in 2 years of fighting the insurgency and trying to train the Iraqi security forces, can you say that within the next year you think you could have very substantial American withdrawal of troops?

The President. David, I know there's a temptation to try to get me to lay out a timetable, and—as you know, during the campaign. And I'll reiterate it: I don't think it's wise for me to set out a timetable. All that will do is cause an enemy to adjust. So my answer is as soon as possible. And "as soon as possible" depends upon the Iraqis being able to fight and do the job.

I had a good videoconference recently with General Casey and General Petraeus. General Casey is in charge of the theater; General Petraeus, as you know, is in charge of training. And they were upbeat about what they're seeing with the Iraqi troops.

One of the questions I like to ask is, "Are they able to recruit?" In other words, you hear—you see these killers will target recruiting stations, and I've always wondered whether or not that has had an effect on the ability for the Iraqis to draw their fellow citizens into the armed forces. Recruitment is high. It's amazing, isn't it, that people want to serve; they want their country to be free.

The other question that—one of the other issues that is important is the equipping issue, and the equipment is now moving quite well. In other words, troops are becoming equipped.

Thirdly, a fundamental problem has been whether or not there's an established chain of command, whether or not a civilian Government can say to the military, "Here's what you need to do," and whether the command goes from top to bottom and the plans get executed. And General Petraeus was telling me he's pleased with the progress being made with setting up a command structure, but there's still more work to be done.

One of the real dangers, David, is that as politics takes hold in Iraq, whether or

not the civilian Government will keep intact the military structure that we're now helping them develop. And my message to the Prime Minister and our message throughout Government to the Iraqis is: Keep stability; don't disrupt the training that has gone on; don't politicize your military, in other words; have them there to help secure the people.

So we're making good progress. We've reduced our troops from 160,000, more or less, to 139,000. As you know, I announced to the country that we would step up our deployments—step up deployments and retain some troops for the elections. And then I said we'd get them out, and we've done that. In other words, the withdrawals that I said would happen, have happened.

Go ahead; I can see you've got a follow-up right there on the tip of your tongue.

Troop Levels/North Korea

Q. Do you feel that the number of troops that you've kept there is limiting your options elsewhere in the world? Just today you had the head of the Defense Intelligence Agency say that he was now concerned that the North Koreans, for example, could put a weapon, a nuclear weapon, on a missile that could reach Japan or beyond. Do you feel, as you are confronting these problems, the number of troops you've left tied up in Iraq is limiting your options to go beyond the diplomatic solutions that you've described for North Korea and Iran?

The President. No, I appreciate that question. The person to ask that to, the person I ask that to, at least, is to the Chairman of the Joint Chiefs, my top military adviser. I say, "Do you feel that we've limited our capacity to deal with other problems because of our troop levels in Iraq?" And the answer is no, he doesn't feel we're limited. He feels like we've got plenty of capacity.

You mentioned the Korean Peninsula. We've got good capacity in Korea. We traded troops for new equipment, as you know. We brought some troop—our troop levels down in South Korea but replaced those troops with more capacity.

Let me talk about North Korea, if you don't mind. Is that your question?

Q. Go right ahead. [*Laughter*]

The President. I'm surprised you didn't ask it. [*Laughter*]

Look, Kim Chong-il is a dangerous person. He's a man who starves his people. He's got huge concentration camps. And, as David accurately noted, there is concern about his capacity to deliver a nuclear weapon. We don't know if he can or not, but I think it's best when you're dealing with a tyrant like Kim Chong-il to assume he can.

That's why I've decided that the best way to deal with this diplomatically is to bring more leverage to the situation by including other countries. It used to be that it was just America dealing with North Korea. And when Kim Chong-il would make a move that would scare people, everybody would say, "America, go fix it." I felt it didn't work. In other words, the bilateral approach didn't work. The man said he was going to do something, and he didn't do it, for starters. So I felt a better approach would be to include people in the neighborhood, into a consortium to deal with him.

And it's particularly important to have China involved. China has got a lot of influence in North Korea. We went down to Crawford with Jiang Zemin, and it was there that Jiang Zemin and I issued a statement saying that we would work for a nuclear-weapons-free Korean Peninsula.

And so when Kim Chong-il announced the other day about his nuclear intentions and weapons, it certainly caught the attention of the Chinese because they had laid out a policy that was contradicted by Kim Chong-il. And it's helpful to have the Chinese leadership now involved with him. It's more—it's better to have more than one voice sending the same message to Kim Chong-il. The best way to deal with this

issue diplomatically is to have five other—four other nations beside ourselves dealing with him. And we'll continue to do so.

Finally, as you know, I have instructed Secretary Rumsfeld—and I've worked with Congress—Secretary Rumsfeld has worked with Congress to set up a missile defense system. And we're in the process of getting that missile defense system up and running. One of the reasons why I thought it was important to have a missile defense system is for precisely the reason that you brought up, that perhaps Kim Chong-il has got the capacity to launch a weapon, and wouldn't it be nice to be able to shoot it down. And so we've got a comprehensive strategy in dealing with him.

Ed [Ed Chen, Los Angeles Times], yes.

Political Atmosphere in Washington/Social Security Reform

Q. Mr. President, good evening.

The President. Yes.

Q. Sir, you've talked all around the country about the poisonous partisan atmosphere here in Washington. I wonder, why do you think that is? And do you personally bear any responsibility in having contributed to this atmosphere?

The President. I'm sure there are some people that don't like me. You know, Ed, I don't know. I've thought long and hard about it. I was—I've been disappointed. I felt that people could work together in good faith. It's just a lot of politics in the town. It's kind of a zero-sum attitude. "We can't cooperate with so-and-so because it may make their party look good," and vice-versa.

Although having said that, we did have some success in the education bill. We certainly came together as a country after September the 11th. I appreciate the strong bipartisan support for supporting our troops in harm's way. There's been a lot of instances of bipartisanship, but when you bring a tough issue up like Social Security, it—sometimes people divide into camps.

I'm proud of my party. Our party has been the party of ideas. We said, "Here's a problem, and here's some ideas as to how to fix it." And as I've explained to some people, I don't want to politicize this issue. People have said, "You didn't need to bring this up, Mr. President. It may cost you politically." I don't think so. I think the American people appreciate somebody bringing up tough issues, particularly when they understand the stakes: The system goes broke in 2041.

In 2027, for those listening, we'll be obligated to pay 200 billion more dollars a year than we take in, in order to make sure the baby boomers get the benefits they've been promised. In other words, this is a serious problem, and the American people expect us to put our politics aside and get it done.

You know, I can't answer your question as to why. I'll continue to do my best. I've tried to make sure the dialog is elevated. I don't believe I've resorted to name-calling here in Washington, DC. I find that to not be productive. But I also understand the mind of the American people. They're wondering what's going on. They're wondering why we can't come together and get an energy bill, for example. They're wondering why we can't get Social Security done. And my pledge to the American people is I'll continue to work hard to—with people of both parties and share credit and give people the benefit of the credit when we get something done.

Yes, sir.

President's Agenda

Q. Thank you, Mr. President. Just to follow up on Ed's question, we like to remind you that you came to Washington hoping to change the tone, and yet here we are, 3 months into your second term and you seem deadlocked with Democrats on issues like Bolton, DeLay, judges. Is there any danger that the atmosphere is becoming so poisoned or that you're spending so much political capital that it could imperil

your agenda items like Social Security, energy?

The President. I don't think so, Bill [Bill Sammon, Washington Times]. I think when it's all said and done, we're going to get a lot done. I mean, after all, one of the issues that people have been working on for a long time is class-action lawsuit reform, and I signed that bill. An issue that people have been working on for a long time is bankruptcy law reform, and I signed that bill.

And the House got an energy bill out recently, and I talked to Senator Domenici the other day, and he's upbeat about getting a bill out pretty quickly and get it to conference and get the issues resolved. I'm pretty aware of what the issues might be that will hang up a conference, and I think we can get those issues resolved. We're more than willing to help out. So I do believe I'll get an energy bill by August.

There's a budget agreement, and I'm grateful for that. In other words, we are making progress.

No question the Social Security issue is a big issue, but it's—as I said before, we hadn't talked about this issue for 20 years. And they thought we had it fixed 20 years—22 years ago, for 75 years, and here we are, 22 years later after the fix, talking about it again. And it's serious business. If you're a grandmother or a grandfather listening, you're going to get your check. But your grandchildren are going to have a heck of a price to bear if we don't get something done now.

You see, it's possible, if nothing gets done, that the payroll taxes will go up to some 18 percent. Imagine that for your children and grandchildren, living in a society where payroll taxes are up at 18 percent. Or there will be dramatic benefit cuts as time goes on. Now is the time to get it done. And my pledge to the American people is that I'm going to stay on this issue because I know it's important for you.

Fletcher [Michael Fletcher, Washington Post].

North Korea

Q. Yes, Mr. President. You had talked about North Korea, and you mentioned that the six-party talks allow you to bring extra leverage to the table. But do you think they're working, given North Korea's continued threats and the continuing growth of their nuclear stockpile? And how long do you let it go before you go to the U.N.?

The President. No, I appreciate that question. I do think it's making a difference to have China and Japan and South Korea and Russia and the United States working together with North Korea. In my judgment, that's the only way to get this issue solved diplomatically, is to bring more than one party to the table to convince Kim Chong-il to give up his nuclear ambitions. And how far we let it go on is dependent upon our consensus amongst ourselves. Condi, the other day, laid out a potential option of going to the United Nations Security Council. Obviously, that's going to require the parties agreeing. After all, some of the parties in the process have got the capacity to veto a U.N. Security Council resolution.

So this is an issue we need to continue to work with our friends and allies. And the more Kim Chong-il threatens and brags, the more isolated he becomes. And we'll continue to work with China on this issue. I spend a lot of time dealing with Chinese leaders on North Korea, as do people in my administration. And I'll continue to work with our friends in Japan and South Korea. And Vladimir Putin understands the stakes as well.

Mark [Mark Knoller, CBS Radio].

U.S. Policy on Detainees in War on Terror

Q. Mr. President, under the law, how would you justify the practice of renditioning, where U.S. agents scoop up terror suspects abroad, taking them to a

third country for interrogation? And would you stand for it if foreign agents did that to an American here?

The President. That's a hypothetical, Mark. We operate within the law, and we send people to countries where they say they're not going to torture the people.

But let me say something. The United States Government has an obligation to protect the American people. It's in our country's interests to find those who would do harm to us and get them out of harm's way. And we will do so within the law, and we will do so in honoring our commitment not to torture people. And we expect the countries where we send somebody to, not to torture as well. But you bet, when we find somebody who might do harm to the American people, we will detain them and ask others from their country of origin to detain them. It makes sense. The American people expect us to do that. We—we—still at war.

One of my—I've said this before to you; I'm going to say it again—one of my concerns after September the 11th is the farther away we got from September the 11th, the more relaxed we would all become and assume that there wasn't an enemy out there ready to hit us. And I just can't let the American people—I'm not going to let them down by assuming that the enemy is not going to hit us again. We're going to do everything we can to protect us, and we've got guidelines. We've got law. But you bet, Mark, we're going to find people before they harm us.

John McKinnon [Wall Street Journal].

National Economy

Q. Yes, sir. I'd just like to ask, simply, what's your view of the economy right now? First-quarter growth came in weaker than expected. There have been worries about inflation and lower spending by consumers. Are these basically just bumps in the road, in your opinion, or are they reasons for some real concern, and could they affect your agenda on Social Security?

The President. No, I appreciate that, John. I am concerned about the economy because our small-business owners and families are paying higher prices at the gas pump. And that affects the lives of a lot of people. If you're a small-business owner and you have to pay higher gas prices and you're—likely you may not hire a new worker. In other words, higher gas prices, as I have said, is like a tax on the small-business job creators. And it's a tax on families. And I do think this has affected consumer sentiment; I do think it's affected the economy.

On the other hand, the experts tell me that the forecast of economic growth in the coming months looks good. There's more to do to make sure that we don't slip back into slow growth or negative growth. One is to make sure taxes stay low; secondly, is to continue to pursue legal reform. I hope we can get an asbestos reform bill out of both the House and the Senate. There's some positive noises on Capitol Hill as to whether or not we can get an asbestos reform bill. That will be an important reform in order to make sure that our economy continues to grow.

We need to continue to open up markets for U.S. products. As you know, there will be a vote for the Central American Free Trade Agreement here, hopefully soon. I'm a strong believer that that's in the interest of American job creators and workers, that we open up those markets. I know it's important geopolitically to say to those Central American countries, "You've got a friend in America. We said we'd have an agreement with you, and it's important to ratify it. It'll help strengthen the neighborhood."

We've also got to make sure that we continue to reduce regulation. I think an important initiative—I know an important initiative that we're going to be coming forth with here probably in the fall is tax reform. I was amazed by the report the other day that there is some $330 billion

a year that goes unpaid by American taxpayers. It's a phenomenal amount of money. To me, it screams for making the tax system easier to understand, more fair, and to make sure that people pay their taxes. That's—"more fair" means pay what you owe.

And so there are a lot of things we can do, John, to make sure economic growth continues. But I'm an optimistic fellow, based not upon my own economic forecast—I'm not an economist—but based upon the experts that I listen to.

Let's see here. Richard [Richard Benedetto, USA Today]. [*Laughter*] There is somebody with a bad throat back there. [*Laughter*]

No Child Left Behind Act

Q. Mr. President, you've made No Child Left Behind a big part of your education agenda. The Nation's largest teachers union has filed suit against it, saying it's woefully inadequately funded. What's your response to that? And do you think that No Child Left Behind is working?

The President. Yes, I think it's working. And the reason why I think it's working is because we're measuring, and the measurement is showing progress toward teaching people how to read and write and add and subtract. Listen, the whole theory behind No Child Left Behind is this: If we're going to spend Federal money, we expect the States to show us whether or not we're achieving simple objectives like literacy, literacy in math, the ability to read and write. And yes, we're making progress. And I can say that with certainty because we're measuring, Richard.

Look, I'm a former Governor. I believe States ought to control their own destiny when it comes to schools. They are by far the biggest funder of education, and it should remain that way. But we spend a lot of money here at the Federal level and have increased the money we spend here quite dramatically at the Federal level, and we changed the policy. Instead of just spending money and hope for the best, we're now spending money and saying, "Measure."

And some people don't like to measure. But if you don't measure, how do you know whether or not you've got a problem in a classroom? I believe it's best to measure early and correct problems early, before it's too late. That's why, as a part of the No Child Left Behind Act, we had money available for remedial education. In other words, we said, "We're going to measure, and when we detect someone who needs extra help, that person will get extra help."

But absolutely, it's a good piece of legislation. I will do everything I can to prevent people from unwinding it, by the way.

Q. What about the lawsuit? Which——

The President. Well, I don't know about the lawsuit. I'm not a lawyer. But you know, I'll ask my lawyers about the lawsuit. But I know some people are trying to unwind No Child Left Behind. I've heard some States say, "Well, we don't like it." Well, you know, my attitude about not liking it is this: If you teach a child to read and write, it shouldn't bother you whether you measure. That's all we're asking.

The system for too long had just shuffled children through and just hoped for the best. And guess what happened? We had people graduating from high school who were illiterate, and that's just not right in America. It wasn't working.

And so I came to Washington and worked with both Republicans and Democrats; this is a case where bipartisanship was really working well. And we said, "Look, we're going to spend more money at the Federal level." But the Federal Government, what, spends about 7 percent of the total education budgets around the country. But we said, "Let's change the attitude. We ought to start with the presumption every child can learn, not just some, and therefore, if you believe every child can learn, then you ought to expect every classroom to teach."

I hear feedback from No Child Left Behind, by the way—and admittedly, I get the Cook's tour sometimes—but I hear teachers talk to me about how thrilled they are with No Child Left Behind. They appreciate the fact that the system now shows deficiencies early so they can correct those problems. And it is working.

Okay. Mr. Knox [Olivier Knox, Agence France-Presse].

North Korea

Q. Thank you, Mr. President. I want to make sure I understand your answer to Mike about North Korea. He asked you how long you were prepared to let the multiparty talks proceed in the face of what might be a gathering threat from North Korea, and you said, how long—and I'm paraphrasing—how long we let it go on is dependent on our consensus among ourselves——

The President. Yes.

Q. Did you mean to say that you will neither refer North Korea to the U.N. for sanctions nor take military action unless you have the agreement of all the other partners abroad?

The President. No, I didn't speak about military—I'm speaking about diplomatically. And secondly, yes, we've got partners. This is a six-party talk; five of us on the side of convincing Kim Chong-il to get rid of his nuclear weapons, and obviously, Kim Chong-il believes he ought to have some. And my point was that it is best—if you have a group of people trying to achieve the same objective, it's best to work with those people; it's best to consult.

His question was, are you going to—when are you going to—when will there be consequences? And what we want to do is to work with our allies on this issue and develop a consensus, a common approach to the consequences of Kim Chong-il. I mean, it seems counterproductive to have five of us working together and all of a sudden, one of us say, "Well, we're not going to work together."

Again, I repeat to you, our aim is to solve this problem diplomatically. And like I've said before, all options, of course, are on the table, but the best way to solve this problem diplomatically is to work with four other nations who have all agreed in achieving the same goal, and that is a nuclear-free Korean Peninsula.

Final question. Hutch [Ron Hutcheson, Knight Ridder]. I don't want to cut into some of these TV shows that are getting ready to air—[*laughter*]—for the sake of the economy. [*Laughter*]

Social Security Reform

Q. I wanted to ask you about your ideas——

The President. Is that all right? Go ahead, Hutch. Sorry.

Q. I wanted to ask you about your ideas on dealing with Social Security solvency problems. As I understand it—I know you'll tell me if I'm wrong—the benefits would be equal to what—at least equal to what they are today, and then any increase in benefits would be indexed according to income, with lower income people getting bigger increases. Two things on that: Today's benefits probably won't mean much somewhere down the road; and how far are you going to go with this means-based program? Are you talking about——

The President. Yes, I appreciate that.

Q. ——where a rich person, say, Dick Cheney, wouldn't get much out of it?

The President. Now, wait a minute, don't get personal here, Hutch. You're on national TV. That's a cheap shot.

First of all, in terms of the definition of who would get—whose benefits would rise faster and whose wouldn't, that's going to be a part of the negotiation process with the United States Congress. There's a—a Democrat economist had a very—he put forth this idea, and he had a level of—I think 30 percent of the people would be considered to be in the lower income scale. But this is to be negotiated. This is a part of the negotiation process. My

job is to lay out an idea that I think will make the system more fair.

And the second question—or the first question——

Q. It's a means-based program where the real wealthy people might not get very much out of it.

The President. It is—that's right. I mean, obviously, it is means-based when you're talking about lower income versus wealthier income. The lower income people's benefits would rise faster. And the whole goal would be to see to it that nobody retired in poverty. Somebody who has worked all their life and paid into the Social Security system would not retire into poverty.

One other point on Social Security that people have got to understand is that it's—the system of today is not fair for a person whose spouse has died early. In other words, if you're a two-working family like a lot of families are here in America, and—two people working in your family, and the spouse dies early—before 62, for example—all of the money that the spouse has put into the system is held there, and then when the other spouse retires, he or she gets to choose the benefits from his or her own work or the other spouse's benefits, which is ever higher but not both. See what I'm saying? Somebody has worked all their life, the money they put into the system just goes away. It seems unfair to me. I've talked to too many people whose lives were turned upside down when the spouse died early and all they got was a burial benefit.

If you have a personal savings account, a voluntary personal savings account, and your—and you die early, that's an asset you can leave to your spouse or to your children. That's an important thing for our fellow citizens to understand. The system today is not fair, particularly if a spouse has died early, and this will help remedy that.

Listen, thank you all for your interest. God bless our country.

NOTE: The President's news conference began at 8:01 p.m. in the East Room at the White House. In his remarks, he referred to Prime Minister Ibrahim al-Jafari of the Iraqi Transitional Government; President Vladimir Putin of Russia; United Nations Special Envoy Terje Roed-Larsen; President Bashar al-Asad of Syria; Gen. George W. Casey, Jr., USA, commanding general, Multi-National Force—Iraq; Lt. Gen. David H. Petraeus, USA, commander, Multi-National Security Transition Command—Iraq; Chairman Kim Chong-il of North Korea; and former President Jiang Zemin of China. A reporter referred to Tony Perkins, president, Family Research Council. The Office of the Press Secretary also released a Spanish language transcript of this news conference.

Remarks in a Discussion on Strengthening Social Security in Falls Church, Virginia
April 29, 2005

The President. Thank you all very much. Thanks for the warm welcome. Thanks for coming today. I want to thank the Northern Virginia Technology Council for hosting this event. Sudhakar Shenoy is the chairman. Thank you, Sudhakar, I appreciate it very much. Bobbie Kilberg is the president. Obviously, you've stacked the audience with—[*laughter*]—I appreciate you coming.

We're here to talk about an important subject, and that's going to be the future of—what the future holds for younger Americans, you know, is whether or not we've got the will and courage to make

sure the Social Security system works for a younger generation.

Before we get there, I do want to say a couple of things. One, I'm sorry Laura is not with me. She is—she's doing a fabulous job as the First Lady. I'm proud of her. I love her dearly.

I appreciate Bill Howell, who is the speaker of the house from the great Commonwealth of Virginia. Mr. Speaker, thank you for coming. I appreciate you being here. Where's the Speaker? There he is. Thanks for coming, Speaker. Appreciate you serving.

I want to thank Tony Griffin, the Fairfax County executive. I'm honored you're here, Tony. Thank you for coming. I want to thank the local and State officials who are here. I appreciate you're willing to serve your community and your State. I want to thank the Department of Community and Recreation Services, Pat Franckewitz and Joyce White, for opening up this beautiful facility. And I want to thank our panelists for joining us here to have a discussion about Social Security.

Look, I—a lot of people have said, "Why did you bring this up, you know? Why do you want to talk about the issue of Social Security when you don't have to? After all, the problem is down the road." I think the job of a President is to recognize reality and, if a President sees a problem, have the willingness to step up in front of the American people and say, "We have a problem," explain the problem, and then go to the United States Congress and say, "Let's work together to fix the problem." The job of the President is to confront problems.

I think the American people—I know the American people expect those of us who have been elected to hold office to have set aside party politics and focus on solutions to problems confronting our country. That's what I know they expect. And that's the spirit in which I enter this debate. On one hand, my job is to confront problems; on the other hand, it's to call people together to solve them. And here's the problem with Social Security.

First, I want to praise one of my predecessors, Franklin Delano Roosevelt. He did a very smart thing when it came to creating a retirement system to help people have dignity in their final years of life. And Social Security has worked for a lot of folks.

The problem is, the math is changing on Social Security, and the reason the math is changing is because there are a bunch of baby boomers like me getting ready to retire. I reach retirement age in 4 years. That's a convenient time. [*Laughter*] Do you realize today there are 40 million retirees, and when the baby boomers fully retire, there's going to be 72 million retirees. In other words, there's a baby boomer bulge, and the group of folks here very soon, will be getting ready to count on a younger generation to pay its benefits that we've been promised.

The problem is, the benefits we've been promised are greater than the benefits promised to a previous generation, and those benefits rise faster than the rate of inflation. And to compound the problem is, we're going to live longer. You got a lot of people, living longer, getting greater benefits.

I'm sitting up here with some folks who are going to be paying into the system. What has changed about the payers into the system is that the number of payers are shrinking relative to those who are going to receive benefits. In 1950, 16 workers were paying into the system for every beneficiary. In other words, the load was pretty light. Today, there are 3.3 workers per beneficiary. Soon there's going to be two workers per beneficiary. Fewer workers paying greater benefits to more people living longer—that's the change in the math. That is what has changed from the time Franklin Roosevelt set up the program.

And what it means in terms of budgetary terms is that in 2017, the pay-as-you-go system goes into the red. "Pay as you go" means, by the way, money comes in, and

it goes out. You pay, and we go ahead and spend. And we spend not only on retiree benefits, but we spend on every other program. And all that's left is file cabinets full of IOUs. You know, the people think, well, the Government has collected our money, and they're going to hold it for us, and then when we retire, we'll give it back to you. That's just not the way it works. It is a pay-as-you-go system. And therefore, when you have a lot of baby boomers living longer, getting greater benefits, in a pay-as-you-go—and more and more of us are getting what the Government said, the system goes into the red because you've got fewer payers.

In 2027, the obligations of the Federal Government to retirees will be $200 billion greater than the payroll tax receipts. See, starting in 2017, the system goes into the red, and it gets worse every year—2027, 200 billion. About 2030-something, it's 300 billion, and eventually, 2041, it's broke.

And the temptation, by the way, in Washington is to say, "Well, gosh, that seems like a long way down the road." But 2017 is not very far down the road. And if you're a younger worker and you start paying into the payroll system today, and 2041 is about the time you start retiring, I'm telling you, the system is going to be bankrupt unless we do something about it. In other words, you're working all your life; you're putting money in; and by the time it comes for you to get ready to retire, there's nothing there. That's a problem, folks, and it requires a solution. It requires people coming together to make this work.

And so my strategy has been, one, travel around the country, explain to the American people we have a problem. And they now understand we have a problem. The debate in Washington has shifted, by the way. Early on this year, people were saying, "It's not really a problem. You know, we don't have a problem in America." I don't think you hear that anymore. Oh, there may be a few isolated voices saying, "It's not a problem." Most people now understand we've got a problem.

My other mission early on in this—in the debate was to make it clear to seniors, you're going to get your check. There are a lot of people in this country counting on their Social Security check. And a lot of people are saying—as a matter of fact, I went to the computer class and a lady said, "You make sure I get my check." She's counting on it. And I recognize there's been a lot of propaganda. There's been propaganda in political campaigns saying, "If old so-and-so is elected, you're not going to get your check." And I'm sure there's some propaganda out there working its way through the system now, trying to frighten seniors.

But our seniors have got to understand the system is solvent for them. Nothing changes for people who were born prior to 1950. It's those born after 1950 that need to ask our elected Representatives, "There is a problem, and what you going to do about it?"

I want to tell you what I think we ought to do about it. I think we ought to come together in good faith and discuss good ideas. I laid out some ideas. I have been laying out ideas about what I think we ought to do. First, I know that we ought to be able to say in a new system, as we fix the safety net for future generations, that you must receive benefits equal to or greater than the benefits enjoyed by today's seniors. In other words, any reform has got to say that to those who are paying into the system.

Secondly, I think the country needs to set this goal for future generations, that if you've worked all your life and paid in the Social Security system, you will not retire into poverty. And there's a way to make that happen, and that is to have the benefits for low-income workers in a future system grow faster than benefits for those who are better off. If Congress were to enact

that, that would go a long way toward making the system solvent for a younger generation of Americans.

I have a duty to put ideas on the table. I'm putting them on the table, and I expect Republicans and Democrats to do the same kind of thing, and so do the American people. The American people expect us in Washington, DC, to do our duty and not play politics as usual with an issue as important as Social Security. When Congress comes together to discuss this issue, it's important for us to permanently fix Social Security. The reason I say that is because some of us were around in 1983 when Ronald Reagan called Tip O'Neill and said, "We got a problem," and they came together and put together a 75-year fix. That's what they said, "We got us a 75-year fix."

The problem is 25 years—or 22 years after 1983, we're still talking about it. The 75-year fix lasted about 22 years. And so now is the time to permanently fix Social Security. Any solution that comes forth out of Congress must permanently fix it.

As we permanently fix it, we have a great opportunity to make the system a better deal for younger workers. And here's how: Younger workers should be allowed to take some of their own money, some of their own payroll taxes they pay into the system, and set it aside in a personal savings account. Now, this isn't the Government telling you what to do, the Government saying, "You must set aside a personal savings account." This is the Government saying, "You should have the option, if you so choose, to take some of your own money, some of the money that you've earned, and put it aside in a personal savings account."

And here's the benefit from such an idea. One, the Government does not—doesn't get a very good return on your money when we take it from you. If you were to put your money in a conservative mix of stocks and bonds, you would get a better rate of return. And that rate of return, over time, will make an enormous difference to somebody who wants to build a nest egg. Do you realize that stock investments have returned about 9 percent more than inflation per year since 1983, while the Social Security real return is only about 2 percent. That means if you were to invest a dollar in the market in '83, it would be worth $11 today, while your dollar in Social Security is worth 3. Think about what that means if you put a fair amount of money aside over time. It means your own money would grow better than that which the Government can make it grow. And that's important.

It's an important part of being a part of a vibrant—a retirement system. You're going to get a check from the Government. The question is, how big? If you're allowed to take some of your own money and watch it grow faster than the rate at which Government can grow it, it means you've got a bigger nest egg.

Secondly, I like the idea of people owning something. We want more people owning their assets in America. You know, there's kind of a concept around that says maybe only a certain kind of people should own assets, an investor class, maybe only the rich. I firmly reject that idea. That's not how I view America. I want more people owning things, owning their own home, owning their own business, owning their own retirement account, owning assets that they can pass on from one generation to the next. The more people that are able to do that, the better off America is.

Thirdly, the system today is patently unfair for families if a spouse is to die earlier than expected. Think about this kind of system we have today. You work all your life; your husband or wife works all their life, and one of you dies before 62 years old, or after 62. If they die before 62, you get no survivor benefits. You get a little stipend to help bury your spouse, period. All the money goes in, waits until you reach retirement age. When you reach retirement age, if you have worked as well, you get

either your spouse's benefits or your benefits, which are ever higher, but not both.

So if one of the two of you have worked all your life—or worked your life and put money in, you don't get anything as result of your labor. I think it will make sense to allow people to set aside some of their own money in a personal account so they have their own assets, and if they happen to die early, they can pass it on to their wife or husband. In other words, your assets just don't disappear like the current system encourages.

But you've got something you call your own, finally. I like an idea—remember, this is a pay-as-you-go system. People are going to be counting on future Congresses to make decisions what to do with your money. I like the idea of you being able to have an asset base that the Congress can't take away. The Congress doesn't get to spend on your behalf, because it's your asset. You own it. It is your nest egg.

Personal savings accounts make a lot of sense to me. They also make a lot of sense to a generation of Americans that are used to investing. I was telling the folks up here that when I was in the twenties, I don't remember spending a lot of time thinking about my 401(k). It's because they didn't exist. Think about what's happened in our society. A lot of people are becoming accustomed to watching their money grow. There's a new and—a group of investors from all walks of life that are comfortable with watching their assets grow and expect to be able to manage their own assets. The culture has changed when it comes to investing.

Now, people often ask me, you know, "Can I—are there going to be wise ways to set up these savings accounts?" Of course there will be. I'm not going to say, "You can—we want you to have a retirement fund. You can take your money and put it in the lottery." In other words, there's a conservative mix of bonds and stocks that will be available. If you're risk-adverse, you can buy Treasury bonds, as far as I'm concerned.

You know, people say, "Well, you know, what happens if I'm getting close to retirement and there's a market swing?" Well, when you get close to retirement, there are ways to diversify out of a mix of bonds and stocks and get into strictly bonds—Government-backed bonds. People can manage your money in smart ways. And the role of—it seems like to me, a proper role for the Government is to say, "Here are the guidelines in which you can—should be allowed to invest," but there's a lot of flexibility so you can choose how best to manage your own assets.

So this makes sense, and Congress needs to hear the voices of people who believe it is right and fair to give them the option to watch their own money grow. And we've got some people up here today that have got a pretty good idea about what they want to do with their own money.

Oh, by the way, just as an aside, I think it'll interest you to know that this isn't a new idea I'm discussing. As a matter of fact, Congress has given themselves the same opportunity that I think ought to be available for younger workers. There's what they call a Thrift Savings Plan in Washington, DC. It's available for Federal workers. It says that if you're unhappy with the Government's rate of return, you ought to be able to set aside some of your own money—manage your own money in a retirement account. Seems like to me that if a Member of the United States Congress thinks it's okay to manage his or her money, that same privilege and opportunity ought to be extended to workers all across America. What's good for the Congress ought to be good for the working people in the United States.

Doctor Olivia Mitchell is with us. She's an expert on the subject. Ph.D.?

Olivia S. Mitchell. Yes, sir.

The President. For those of you who are younger, I just want you to look at the examples being set here. Olivia is a Ph.D.

I was a C student. [*Laughter*] Olivia is the expert. I'm the President. [*Laughter*] Anyway, thanks for coming. A couple of B's, a couple of B's, yes. [*Laughter*]

Tell us what you do, Olivia.

Dr. Mitchell. Yes, sir, thank you. It's a great pleasure to be here with you today. I teach pensions in Social Security at the Wharton School at the University of Pennsylvania. I've been teaching in this area for 25 years, and the one thing that I've noticed is this year, the students are paying attention, finally, and I thank you for that. You're a great educator.

The President. They ought to be paying attention. The Social Security trustees estimate that for every year we wait, it costs another $600 billion. It is conceivable that if we do nothing, that the payroll tax will get up to 18 percent for younger Americans.

Anyway, go ahead.

Dr. Mitchell. So it's absolutely correct. The system is running into trouble. Within 13 years, the payroll tax coming in will not be sufficient to pay benefits.

[*At this point, Dr. Mitchell continued her remarks and concluded as follows.*]

Dr. Mitchell. As a former member of your Commission to Strengthen Social Security, I watched with great attention to the press conference last night, and I was very encouraged because I heard several things; One, that you're going to try to reduce the rate of growth of benefits to restore solvency—that's essential—two, that benefits will never fall below today's benefits—I think that's key—and third, the thing you've spent a lot of effort focusing on, personal retirement accounts. Those, to my mind, are a central element—diversified, low cost, and offer people the opportunity to manage their money. So I congratulate you for it.

The President. Yes, I asked Olivia to join a council headed by Daniel Patrick Moynihan. Unfortunately, he has gone on. But he ran a bipartisan Commission in 2001.

Dr. Mitchell. He and Dick Parsons.

The President. Yes, Dick Parsons—and they took a look at this in a very sober way, in a nonpolitical way, and came up with some serious recommendations, many of which are now being discussed in Congress. And I want to thank you for serving on that.

The Commission shows what is possible when people set aside partisan politics and focus on solving America's problems. And that's what we need to do in Washington. There's too much kind of "gotcha" politics, you know, "We can't work here because somebody may look good." But eventually what's going to happen in this debate is that if—those who block meaningful reform are going to be held to account in the polls. See, the more people who understand the problem, the more young people who understand inaction by this Government is going to saddle them with enormous taxes—will be going to the polls. They're going to be saying to the people running for office, "How come you didn't do anything about it? Where were you when it came time to come up with fair reform that take care of the poor, that make sure that younger workers have got a better deal?" And so I want to thank you for your hard work on that issue, Olivia. And thank you for joining me again.

Kristin Seitz is with us. Kristin welcome?

Kristin Seitz. Thank you.

The President. Do you make a living?

Ms. Seitz. I do. My name is Kristin Seitz. I'm 23 years old, and I'm actually the executive coordinator at the Northern Virginia Technology Council.

The President. Good.

Ms. Seitz. I graduated in 2004 from the Ohio State University, and NVTC is my first job since graduating.

The President. Great, yes. Are you concerned about the fact that the mighty Texas Longhorns will be playing at Ohio State this year? [*Laughter*]

Ms. Seitz. I actually got my alumni tickets yesterday in the mail.

The President. You did? Good.

Ms. Seitz. And unfortunately, I will not be at the Texas game, which is a real shame.

The President. Anyway—[*laughter*]—back to the subject at hand. You told me that you contribute to a 401(k)?

Ms. Seitz. I do. I contribute up to 3 percent. We get matched at NVTC——

The President. Right.

Ms. Seitz. ——for up to 3 percent. I actually invest up to 4 percent.

The President. Good.

Ms. Seitz. I'm also looking at——

The President. Why are you doing that? Why did you decide to do more?

Ms. Seitz. Because I like the idea that I'm able to grow my money. I can invest it, and the faster it grows, the more money I'm going to have, the better I'm going to be in the future.

The President. Yes. And at age 23, that seems like an awfully young age for people to be investing. "Investing" is kind of a powerful word for a lot of people in America. They wonder, "Can I possibly figure out how to invest?" And I'm just curious, have you found it to be a burdensome experience——

Ms. Seitz. I have not.

The President. ——a nerve-wracking experience, an easy experience?

Ms. Seitz. I very much enjoy it. I like being able to go through and see what is doing well, what is not. My boyfriend, George, who is actually from Texas——

The President. Boyfriend, George?

Ms. Seitz. My boyfriend, George, who is from Texas—[*laughter*].

The President. Where is he? Big George? Where is George from Texas, do you know?

Ms. Seitz. He's in San Antonio.

The President. San Antonio. Awesome, George. You got a little notoriety here. [*Laughter*] Maybe the folks back home are watching C–SPAN, you never know. [*Laughter*]

Ms. Seitz. He just started a career recently in personal finance and sells mutual funds, so I was looking into investing in a mutual fund as well.

The President. Yes, good. But you're paying attention to it. It's a subject that is—you're comfortable in talking about investment, which is an important thing for people to understand. Sometimes you hear what these personal accounts—I mean, asking people to do something they're not capable of doing. Frankly, it's kind of an elitist point of view, isn't it? Plenty of people are capable of learning how to watch their money, particularly since it's their money.

Give me your views on Social Security. Have you got any thoughts on that?

Ms. Seitz. I have noticed, since this is my first full-time job out of college, how much money is taken out of my paycheck each pay period for Social Security that I may not see when it comes to my retirement.

The President. Yes, see, it's interesting. It's the biggest tax a lot of people pay. And younger Americans are saying, "I'm not so sure I'm going to see it." The benefits of putting into it—and I appreciate that. A lot of—I like to quote the—some youngster told me about the survey that said, many young people are—think it's more likely they're going to see a UFO than get a Social Security check. [*Laughter*] I don't know if you're one or not. [*Laughter*]

But it's an interesting dynamic, isn't it? A lot of young people are beginning to say, "It's taking a big bite out of my check, and I'm putting into a system I'm not sure I'm going to see anything back from," which says to me that people who have been elected to office better be wary of not taking care of the system, because when a lot of young people—see, when their grandparents realize they're going to get the check, nothing changes, and a lot of young people are starting to say, "I'm putting something into the system that may not be around when I retire," it creates an interesting set of dynamics, doesn't it?

A lot of young people are beginning to pay attention to the issue, a lot of young people are comfortable with investing.

Do you get a—how do you pay attention to what you invest in?

Ms. Seitz. I can go online and check my—what each of my investments are doing, and I can change them at that time if I feel it's necessary.

The President. Yes. It's great, isn't it? It's an interesting system. It's an interesting cultural change, people going online to watch her investments grow. And if she doesn't like what's happening, she can change. And to me, I like the idea of Americans opening up a statement on a regular basis, watching their assets. It may make people pay attention closer to tax policy in Washington, DC, for example, or decisions made by elected officials.

Thanks for coming. Well done. Good job on hanging out with a Texan. [*Laughter*]

Yuctan Hodge.

Yuctan Hodge. Good morning, Mr. President.

The President. Yuctan—it's a really interesting first name.

Mr. Hodge. Yes, it is. My dad is Anguillan. It's a small Virgin Island off the coast of St. Martin. And the name means "forever young."

The President. Forever young? Yuctan, I've got bad news for you. [*Laughter*]

Mr. Hodge. In spirit, sir, in spirit.

The President. Yes, in spirit. That's good. If you can stay forever young, the Social Security issue wouldn't matter. [*Laughter*]

Mr. Hodge. Not at all.

The President. Someday, you're going to be counting on the check. Tell me what you do.

Mr. Hodge. I started a web development company in 2000 while I was an undergrad at the University of Virginia, studying economics.

The President. How about that? Entrepreneur, somebody who is taking risk, somebody in college—it's fantastic. How's it doing?

Mr. Hodge. It's doing very well. I'm actually getting ready to actually close it down because in the fall, I'll be returning to UVA to attend the Darden MBA program.

The President. Fabulous. Congratulations.

Mr. Hodge. I'm very excited.

The President. Yes, you ought to be. You ought to be. It says here, like, you're about to get married. You're going to go back to school and get married.

Mr. Hodge. I have a very busy summer coming up. I'm getting married in July. My fiancee is here in the audience.

The President. Oh, there she is. Fantastic. Congratulations. When—what's the date?

Mr. Hodge. July 3d.

The President. Tied up, but—[*laughter*].

Mr. Hodge. Well, it's here in the city, if you can make it.

The President. It is, well—[*laughter*]—send me an invitation. At least you'll get a gift. [*Laughter*]

Give me your thoughts on investments. Obviously, you're a smart guy, started your own business prior to graduating from college. You've got ambitions, dreams, hopes.

Mr. Hodge. Well, the same year I started my company, I also opened a Roth IRA with Fidelity and started capping it out each year because I realized——

The President. Tell people what a Roth IRA is. Some people listening may not understand what a Roth IRA is.

Mr. Hodge. It's basically another retirement account that you can set aside, I believe this year, it's 3,500 a year tax-free. And you could return that money to you at around 55, I believe.

The President. Right. In other words, it's in a savings account. It's a way for an individual to set aside some of his own money in this case and watch it grow.

Mr. Hodge. Definitely.

The President. Yes.

Mr. Hodge. And again, I check it online and get monthly statements so I always know what's going on with my money.

The President. So you're paying attention. Sure.

Mr. Hodge. I'm definitely paying attention.

The President. Yes. Don't you like the idea of people paying attention to their assets and watching them grow? I think it's an incredibly fantastic opportunity to spread that opportunity throughout our entire society. So Social Security, yes, this is the subject here. [*Laughter*]

Mr. Hodge. Well, I know that Social Security won't be around, and yet your plan for personalized accounts takes advantage of one of the principles I learned in economics, was compound interest and amortization, the fact that I could have an account that I have control over that makes—turns my money and allows it to make more money is far better than any alternative.

The President. Yes, compound interest for some may be a concept they're not familiar with. Money grows exponentially?

Mr. Hodge. That's correct.

The President. How would you describe compound interest?

Mr. Hodge. Your money grows depending on how you have it quarterly or yearly. And every year——

The President. Tends to accumulate and get bigger and bigger and bigger.

Mr. Hodge. Definitely.

The President. Do you realize that if you're a person who's made $35,000 over your lifetime, and the Government allowed you to take a third of your payroll taxes over that period of time and set it aside in a conservative mix of stocks and bonds, that over time, when it came time to retire, that money you set aside would grow to be $250,000. That's the compounding rate—that's what, when you keep investing your money, keep reinvesting and interest—the compounding rate of interest allows for that kind of growth.

Think about that. A person who has made $35,000 over their life, allowed to take a third of the payroll taxes, set it aside in the personal savings account they call their own. That person has got a nest egg, tangible assets that they can then pass on to whomever they choose. That's the power of compounding interest. We don't have that power if we hold your money in Government to the extent that you can have if you hold it yourself. And that's what—that's what Yuctan is talking about. He said—I think he's saying, "Just give me the chance." He wants——

Some people may not choose, by the way, to set aside their money. That's okay. The great thing about America is we ought to be giving people the opportunity to make that decision. Government ought not to make it for people, particularly since—the interesting thing is that, as I said earlier, Congress has already made that decision for themselves. [*Laughter*] Don't you find that ironic?

Mr. Hodge. I do.

The President. Yes. [*Laughter*] It's called leading the witness. [*Laughter*] Good luck on the wedding, July 3d. Gosh, you're awesome.

Mr. Hodge. Thank you very much.

The President. Yes. And I'm looking forward to meeting the fiancee after the event.

Mr. Hodge. And the in-laws are here too—[*laughter*]—my mother-in-law and two sisters-in-law.

The President. Yes, that's a smart move—[*laughter*]—a really smart move.

Mr. Hodge. Thank you, Mr. President.

The President. Didn't need an MBA to figure that out. That's good. [*Laughter*]

Colleen and Justin Rummel, welcome.

Colleen Rummel. Good morning.

The President. Thanks for coming. What do you all do?

Mrs. Rummel. My name is Colleen Rummel, and I graduated from Ball State in 2000. And we came out here, and we began working at Verizon right away, and I'm an analyst there.

The President. You two work together?

Mrs. Rummel. Yes, we do, two floors apart. [*Laughter*]

The President. Really, interesting.

Mrs. Rummel. Yes, it's interesting. It's fun, and it's, you know, it's nice to be able to see him all the time.

The President. Yes. [*Laughter*]

Mrs. Rummel. We do drive separately, though.

The President. The definition of a newlywed. [*Laughter*] That's great. How is work?

Mrs. Rummel. It's good. I have actually contributed to the 401(k) right away——

The President. Got a 401(k)?

Mrs. Rummel. Yes, yes, and they have a great matching program, so we took advantage of that because we wanted to make sure that we had something, because I've never felt that Social Security really would be available for us.

The President. Isn't that interesting? A lot of people feel that way, your age?

Mrs. Rummel. Seems like it.

The President. Yes. Well, I'm going to keep talking about it. See, I think it's really important for people your age to understand the truth. The best thing the President can do is just out lay the truth. Just put the facts out there. People can make up their own mind about whether or not they feel comfortable about Social Security. You're—I guess, you're getting the message—401(k)s, again, so people fully understand what that is?

Mrs. Rummel. We get to set aside up to a certain percentage of our paycheck pre-tax, per pay period. And some companies offer a matching program where they will match up to the next percentage to help affect your growth——

The President. Right.

Mrs. Rummel. ——and grow your investment.

The President. You and old Justin there, figure out what you're going to invest in?

Mrs. Rummel. Actually, our son. We have an almost 11-month-old son, and once he was born, we realized with all the costs that come with raising children, just child care and braces and college, and gosh, he just started almost walking, so now we're thinking, "Oh my gosh, he's just going to get into everything in"——

The President. ——she is, yes.

Mrs. Rummel. We realized that we need the—we need to make sure we have some money set aside so that way, you know, if something happens to us, he's taken care of besides—especially if he's above the age of getting death benefits from the parents.

The President. Yes, I appreciate that. Justin, you got anything to offer there? Mom's doing a heck of a job. [*Laughter*]

Justin Rummel. She's talking for me, as usual. The program that is actually set aside is mainly for our son, Gavin. He's the main focus with that, the idea of being able to take money, set it aside, and also bring it back, is definitely a key factor, but along with that—alongside of that, the idea that Social Security won't be there for us when we retire, and we're taking the steps for it. What I'm really concerned about is what's going to happen to him and what he's going to have to deal with at the point where Social Security becomes bankrupt.

The President. Yes. That's a great question. First of all, I've always said Social Security is a generational issue. Once the grandparents here in America understand they're going to get their check, then they start saying, "What about my grandkids?" Here you've got young parents wondering about their child—their child, Gavin. And it's a natural question for people from one generation to ask.

You know, we—those of us who are baby boomers were very fortunate to have a generation before us make huge sacrifices for the country. They confronted problems. They confronted big problems. It's now our obligation to confront the same problems so that the next generation coming up will say, "Thankfully—thankfully the generation ahead of us did the right thing."

There's a lot of parents, you know, beginning to—when they figure out what's going on, are beginning to say, "Gosh, we've got

a serious problem for my child, and I expect the Government to do something about it."

Here we've got a young couple used to managing their own money. Mom has said she's not sure Social Security is going to be there. Dad said, "If it's not there for us, it's definitely going to be a burden for my kid."

See, the issue here is, once you see the problem, whether or not we've got the political will to deal with it. Otherwise we strap a—younger generations with enormous financial burdens. And I appreciate you worrying about your kid. You need to worry about yourself, too, because you're going to be paying into a system that is bankrupt in 2041.

Thanks for coming. Good luck.

Mrs. Rummel. Thank you.

The President. Good.

Mr. Rummel. Thank you.

The President. Yes. I appreciate you being here.

Paul Sanchez.

Paul Sanchez. How are you doing?

The President. Pretty cool. [*Laughter*] So-so. [*Laughter*] Feeling great, thank you. How are you doing? [*Laughter*]

Mr. Sanchez. I'm doing great.

The President. You're looking good.

Mr. Sanchez. This is fun. This is new for me, so——

The President. Well, welcome. Are you employed?

Mr. Sanchez. Yes, sir, I am. I'm a certified financial planner. I work for Sullivan, Bruyette, Speros & Blayney in Tysons Corner, Virginia.

The President. Yes, here's your chance. Looking for some customers?

Mr. Sanchez. Absolutely. [*Laughter*] Can never have too many of those, right?

The President. That's right. Where were you raised?

Mr. Sanchez. San Antonio, Texas. [*Laughter*]

The President. Did you know George? [*Laughter*]

Mr. Sanchez. No, I don't.

The President. High school? Yes, where did you go to high school?

Mr. Sanchez. John Jay High School in San Antonio.

The President. John Jay, very good.

Mr. Sanchez. You know that school?

The President. Yes, of course. I was, remember, the Governor. [*Laughter*] How quickly they forget.

Mr. Sanchez. I could really test you and ask if you know the mascot, but I won't do that.

The President. No. [*Laughter*] So, like, why did you sign up for this panel, just out of curiosity?

[*Mr. Sanchez made further remarks.*]

The President. Yes. Isn't it interesting to hear people sit up here and say, "I'm not so sure Social Security is going to be there for me." I don't remember saying that when I was 20 years old. As a matter of fact, I was pretty confident that—when I thought about it—the promise Government had made to me and others would be kept. And here, we've got citizens sitting up here saying, "I don't think the system is going to be there for me." It's an interesting dynamic that people in Washington must pay attention to. In other words, they're saying, "We've got a problem."

And the sad thing is, we've got folks who are just beginning to pay into the system. It must be a little discouraging to be paying into a system that you're not sure is going to be there.

Mr. Sanchez. Well, I try to put a positive spin on it. My dad is 60, so he's counting down the days to where he gets it, so I figure, he'll get some of what I'm paying in.

The President. No, that's—I appreciate that. And——

Mr. Sanchez. He does too.

The President. Yes, that's right. [*Laughter*] No, I'm supposed to be the funny guy. [*Laughter*]

Mr. Sanchez. I figured I was from Texas; we could share a little bit. [*Laughter*]

The President. Compadre. [*Laughter*] You know, you—first of all, you hear these stories about people saying, "Gosh, well, if I were in the stock market and the market declined, I'd lose everything." Give people a sense, as a planner, of how you help people at the end of their life prepare for a different risk portfolio.

Mr. Sanchez. When I started investing, it was in 1997, right out of college. So I've seen two extremes. I've seen a bull market that has just taken off, and I've seen a bear market just go way down. But what that brings you back to is fundamentals. When you see extremes, you've got to go back to fundamentals. When you look long term, we're always showing clients the power of investing over 20, 25, 30 years, and there's a lot of power there. So you've just got to pick a strategy, be disciplined with it, understand your risk tolerance, and like you're saying, you can go to Treasury bonds if you're so risk-adverse. But if you're someone like myself, who is willing to take a little risk, put half or 70 percent in stocks, and watch it grow and work for you.

The President. I suspect your risk portfolio will change as you get a little older, don't you?

Mr. Sanchez. Absolutely, it will change. But for now, I'm still pretty——

The President. And that's important for people to understand. In other words, there's flexibility, where you can decide to match your—you put your money where you're comfortable. As you get older, you can transfer from, say, a mix of bonds and stocks to only bonds, relatively risk-free bonds, so that there's more security the closer you come to retirement. You're not stuck in one type of investment vehicle.

Secondly, one of the things that you hear about—well, you know, Wall Street is going to gouge these people. Do you realize, there's a lot of folks around the country who work for local governments that enable their—local governments enable their people to invest in private accounts, put their own money in a personal savings account. That happens a lot. I was in Galveston, Texas. That happens in Galveston. Yes, it's hard to believe—[*laughter*]—but it happens in Ohio. It happens in the State of Ohio. And people need to know that fees can be managed properly, so you're not gouged. The Government is going to make sure you're not gouged. If we're wise enough to create these accounts for people, there's going to be Government oversight to make sure that people are treated fairly. And that's what you've got to know.

Mr. Sanchez. Index, index funds.

The President. Yes, see, index funds. Whatever the heck that means. [*Laughter*] No, just kidding. [*Laughter*]

I do want to thank you all for coming. I hope you have found this to be an interesting dialog. Most particularly, I hope you have—if you're a younger American, I hope you pay attention to this issue like these good folks have done. There's a lot at stake for you. It may not seem like it now—"22 years old, got a lot of life ahead of me." I'm telling you, if the Government doesn't act, you're going to be saddled with a big burden. When you get old enough, you're going to be saying, "How come they didn't act? How come the United States Congress is so focused on their parties, political parties, that they didn't have the courage to make sure the system was solvent for me?" The Social Security system is solvent for people who were born prior to 1950. You don't have a thing to worry about. But if you've got a child or a grandchild coming up and working hard, you'd better be worried about whether or not this Congress can do its duty.

I'm confident we're going to get something done. I believe the more the people understand the nature of the problem, the more they're going to speak out to their elected Representatives. The more they understand the nature of the problem, the more they're going to be saying to those

of us who are serving, "Go get it fixed." And I'm fully prepared to help in the process. I put forth ideas to move the process along. Anybody who has got a good idea, bring it forward. And then we'll be able to say, when we solve it, "We did our duty for a generation of Americans coming up."

Thanks for giving us a chance to visit with you. God bless.

NOTE: The President spoke at 10:29 a.m. at the James Lee Community Center. In his remarks, he referred to Patricia D. Franckewitz, director, Fairfax County Department of Community and Recreation Services; Joyce White, director, James Lee Community Center; and Richard Parsons, Cochair, President's Commission to Strengthen Social Security.

Remarks at a Tree Planting Ceremony in Honor of Arbor Day
April 29, 2005

The President. Glad you all are here. Ready, Mr. Secretary?

Secretary of Agriculture Mike Johanns. I'm ready.

The President. First of all, I'm honored—we're honored to be here with the Secretary of Agriculture as well as Marshal Case, who is head of The American Chestnut Foundation. We are planting an American chestnut tree here at the White House. This is the 133d year of Arbor Day. Our message is to our fellow citizens: Plant trees. It's good for the economy, and it's good for the environment.

As well, Marshal informs me that The American Chestnut Foundation has worked very closely with the Agriculture Department to coming up with a disease-resistant strain of the American chestnut. And he says we're making good progress and that one day the American chestnut, which had been wiped out by blight, will be coming back. And this is our little part to help it come back.

So, Mr. Secretary, are you prepared?

Secretary Johanns. I am ready. Let's——

The President. A man known for shoveling a lot of things. [*Laughter*]

Secretary Johanns. Exactly.

The President. Ready to go?

Secretary Johanns. Yes, I am ready.

The President. All right, let's do it.

NOTE: The President spoke at 1 p.m. on the North Lawn at the White House. In his remarks, he referred to Marshal T. Case, president and chief executive officer, The American Chestnut Foundation. A tape was not available for verification of the content of these remarks.

Memorandum on Redesignation of the United States Naval Reserve to the United States Navy Reserve
April 29, 2005

Memorandum for the Secretary of Defense

Subject: Redesignation of the United States Naval Reserve to the United States Navy Reserve

Pursuant to the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375), I approve the redesignation of the United States Naval Reserve to the United States Navy Reserve.

GEORGE W. BUSH

NOTE: An original was not available for verification of the content of this memorandum.

Memorandum on Vesting of Blocked Funds of the Government of Cuba
April 29, 2005

Memorandum for the Secretary of the Treasury

Subject: Vesting of Blocked Funds of the Government of Cuba

Pursuant to section 2002 of the Victims of Trafficking and Violence Protection Act of 2000, Public Law 106–386, as amended by section 201 of the Terrorism Risk Insurance Act of 2002, Public Law 107–297, I hereby determine that the blocked funds of the Government of Cuba held at JP Morgan Chase in the account titled "Taxes Owed by CATT to the Government of Cuba," shall be vested and distributed to Ana Margarita Martinez. The funds amount to approximately $198,000.

I therefore direct you to vest these funds and distribute them to Ana Margarita Martinez.

GEORGE W. BUSH

NOTE: An original was not available for verification of the content of this memorandum.

Letter to Congressional Leaders Providing Notification of Reimbursement to the District of Columbia for Emergency Planning and Security Costs
April 29, 2005

Dear Mr. Speaker: (Dear Mr. President:)

Consistent with title I of the District of Columbia Appropriations Act, 2005, Public Law 108–335, I am notifying the Congress of the proposed use of $2,471,588 provided in title I under the heading "Federal Payment for Emergency Planning and Security Costs in the District of Columbia." This will reimburse the District for the costs of public safety expenses related to security events and responses to terrorist threats.

The details of this action are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

GEORGE W. BUSH

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate.

The President's Radio Address
April 30, 2005

Good morning. This past week, I addressed the Nation to talk about the challenges facing Social Security. The Social Security system that Franklin Roosevelt created was a great moral success of the 20th century. It provided a safety net that ensured dignity and peace of mind to millions of Americans in retirement.

Yet today, there is a hole in the safety net for younger workers, because Congress has made promises it cannot keep. We have a duty to save and strengthen Social Security for our children and grandchildren.

In the coming week, I will travel to Mississippi to continue to discuss ways to put Social Security on the path to permanent solvency. I will continue to assure Americans that some parts of Social Security will not change. Seniors and people with disabilities will continue to get their checks, and all Americans born before 1950 will also receive their full benefits. And I will make it clear that as we fix Social Security, we have a duty to direct extra help to those most in need and make Social Security a better deal for younger workers.

We have entered a new phase in this discussion. As Members of Congress begin work on Social Security legislation, they should pursue three important goals. First, I understand that millions of Americans depend on Social Security checks as a primary source of retirement income, so we must keep this promise to future retirees as well. As a matter of fairness, future generations should receive benefits equal to or greater than the benefits today's seniors get.

Second, I believe a reformed system should protect those who depend on Social Security the most. So in the future, benefits for low-income workers should grow faster than benefits for people who are better off. By providing more generous benefits for low-income retirees, we'll make good on this commitment: If you work hard and pay into Social Security your entire life, you will not retire into poverty.

This reform would solve most of the funding challenges facing Social Security. A variety of options are available to solve the rest of the problem. And I will work with Congress on any good-faith proposal that does not raise the payroll-tax rate or harm our economy.

Third, any reform of Social Security must replace the empty promises being made to younger workers with real assets, real money. I believe the best way to achieve this goal is to give younger workers the option of putting a portion of their payroll taxes into a voluntary personal retirement account. Because this money is saved and invested, younger workers would have the opportunity to receive a higher rate of return on their money than the current Social Security system can provide.

Some Americans have reservations about investing in the markets because they want a guaranteed return on their money, so one investment option should consist entirely of Treasury bonds, which are backed by the full faith and credit of the United States Government. Options like this will make voluntary personal retirement accounts a safer investment that will allow you to build a nest egg that you can pass on to your loved ones.

In the days and weeks ahead, I will work to build on the progress we have made in the Social Security discussion. Americans

of all ages are beginning to look at Social Security in a new way. Instead of asking whether the system has a problem, they're asking when their leaders are going to fix it. Fixing Social Security must be a bipartisan effort, and I'm willing to listen to a good idea from either party. I'm confident that by working together, we will find a solution that will renew the promise of Social Security for the 21st century.

Thank you for listening.

NOTE: The address was recorded at 7:35 a.m. on April 29 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on April 30. The transcript was made available by the Office of the Press Secretary on April 29 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks at the White House Correspondents' Association Dinner
April 30, 2005

Thank you all. Thank you, and good evening. I always look forward to these dinners where I'm supposed to be funny—[*laughter*]—intentionally. [*Laughter*] I'm really looking forward to hearing Cedric the Entertainer. I kind of think of myself that way. [*Laughter*]

Cedric, did you hear that hilarious line I ad-libbed down in Arkansas? A woman in a town meeting told me she was from DeQueen, and I said, "That's right next to DeKing." [*Laughter*] You've got to admit that's pretty good, Cedric. [*Laughter*] That's what you call sophisticated repartee. [*Laughter*]

And then out in Montana, I told a joke about a cattle guard, which, to be honest, didn't get a very big laugh—actually, none. [*Laughter*] But Cedric, I think you'll appreciate this, and you can use it if you want to. See, there was this city slicker who was driving around lost, and he came across this old cowboy. And so the city slicker asked the old guy how to get to the nearest town, and the——

[*At this point, the First Lady interrupted the President and provided the First Family's contribution to the entertainment for the evening.*]

NOTE: The President spoke at approximately 8:40 p.m. at the Hilton Washington Hotel. The transcript released by the Office of the Press Secretary also included the remarks of the First Lady.

Remarks on Presenting the Preserve America Presidential Awards
May 2, 2005

The President. A couple of funny lines one evening and she gets carried away. [*Laughter*] Laura "Leno" Bush. [*Laughter*]

We welcome you to the White House. We welcome you to the Rose Garden. I hope you think it's as beautiful a place as we do, and we're honored to have some of America's outstanding community leaders and preservationists with us.

Laura is a preservationist. She's done a lot of good work here at the White House. She's helped restore the Cabinet Room. Most recently she restored the Lincoln Bedroom, based upon old photos. And

you've left your marks in your communities, and she's going to leave a great mark here in Washington, DC, as well. I'm really proud of her. And we're both proud of the hard work you're doing to preserve historic resources in your communities and helping to sustain the national memory for future generations.

I appreciate Secretary of the Interior Gale Norton for joining us. Welcome, Madam Secretary. And I want to thank Fran Mainella, who is the Director of the National Parks system. Thanks for coming.

I appreciate Congressmen John Barrow of Georgia and Donna Christensen of the Virgin Islands. Welcome. Glad you both are here. Thank you for coming.

I appreciate Bruce Cole being here. He's the Chairman of the National Endowment of the Humanities. And I want to thank my longtime friend from Texas, John Nau, who is the Chairman of the Advisory Council on Historic Preservation. Welcome. And Bobbie, good to see you, Bobbie.

Like you all, Laura and I want every American to have a chance to learn about this country's history and to enjoy our national treasures. So in 2003, we created the Preserve America Presidential Awards to recognize outstanding contributions to America's cultural and national heritage. The efforts of today's award winners have drawn tourists to museums and towns, created jobs, and revitalized neighborhoods. They've also opened new opportunities for learning.

The first Preserve America award winner we honor this year has helped extend the legacy of one of Laura's favorite authors, Edith Wharton. When we first moved to the White House, she was reading Edith Wharton's books. Sometimes it was hard to get her to turn off the light. [*Laughter*] By the way, this wasn't the first time she read Edith Wharton's books; it was the second time she read Edith Wharton's books.

And today we are proud to recognize the efforts of Edith Wharton Restoration to restore The Mount, the Massachusetts country estate of this American literary icon. Edith Wharton once said that there are two ways of spreading light, to be the candle or the mirror that reflects it. Your work reflects her light and will enrich our national heritage. Congratulations. Thank you all for coming.

The second award recipient is close to our hearts. The Texas Heritage Trails Program has mapped out special driving routes through the State to encourage regional tourism and bring some of Texas's proud history to light. Parents can take their children on a drive to learn about pioneers and cowboys. [*Laughter*] That would not be the Dallas Cowboys, although they're—[*laughter*]. And as they do so, they get to see the great diversity and beauty of the Texas landscape.

One potential visitor even expressed interest in riding the whole 650-mile Texas Independence Trail on a bicycle. That was not me. [*Laughter*] When I move back to Texas, I can't wait to see the delights of the trail again.

Congratulations, and welcome.

Our third award recipient has restored a site almost as old as America, itself. In Sainte Genevieve, Missouri, Bolduc Historic Properties has fixed up some of the State's first French Colonial homes, right on the banks of the Mississippi River. The restoration of the 18th Bolduc House has attracted visitors from around the country and has drawn rave reviews. Historical restoration is a job for——

The First Lady. Eighteenth century. [*Laughter*]

The President. You've become a comedienne and an editor. [*Laughter*] We're glad you're here.

Historical restoration is a job for perfectionists, as I was saying. [*Laughter*] And our fourth recipient teaches us an important lesson: If something is worth doing, it is worth doing right. When the Historic Savannah Foundation and Davenport House Committee discovered that an earlier restoration on the Isaiah Davenport

House Museum was historically inaccurate, they started over. Isn't that right? And you got the job done right this time.

The Davenport House inspired Savannah's unique ethic of preservation and led to the restoration of hundreds of other historic buildings. The city of Savannah has become a model for other towns to emulate. Tourists visiting historic sites contributed more than a billion dollars to Savannah's economy last year.

We welcome you here. Congratulations on doing well.

Again, Laura and I welcome you. Establishing the Presidential Awards is a small way of encouraging acts of preservation around our country. We look forward to giving the awards next year. We hope those who are listening become inspired by the examples of our recipients. Again, we congratulate our recipients and thank you for a job well done. May God bless you all.

NOTE: The President spoke at approximately 10:25 a.m. in the Rose Garden at the White House. In his remarks, he referred to Barbara "Bobbie" E. Nau, wife of Advisory Council on Historic Preservation Chairman John L. Nau III. The transcript released by the Office of the Press Secretary also included the remarks of the First Lady.

Remarks in a Discussion on Strengthening Social Security in Canton, Mississippi
May 3, 2005

The President. Thank you all very much. Please be seated. Thank you very much for the warm welcome. My first observation is, is that I overdressed. [*Laughter*] And my second observation is, what an amazing facility you have here. I mean, you're coming in on the highway, and all of a sudden the Nissan plant starts to—shows up, and it lasts for a long time. So thanks for having me.

I want to congratulate the dreamers and doers who had this plant here, and I want to thank the workers for making it work. You can have a—you know what I know, you can have a pretty building, but if you don't have a motivated, highly skilled workforce, nothing is coming out. And I want to thank you all for showing the world that America can compete with anybody.

I want to thank the folks who greeted me, Dan Gaudette and Jim Morton, Greg Daniels, Dave Boyer—thank you all for your hospitality. Thanks for letting us come. I particularly want to thank you all for taking time out of your busy work schedules. Hope it wasn't an inconvenience to get you off the line. [*Laughter*] I know you want me to be short, so you can get back to work. [*Laughter*] No—okay, I won't be.

I've got something I want to talk about, and I'm going to spend a little time on Social Security. This is an incredibly important subject for a lot of folks. So this is going to be an educational experience, and I've asked some of our fellow citizens to join me up here, to make it clear to you all why I'm talking about this issue to begin with.

Before I do, there's some people I want to recognize, starting with the great Governor of the State of Mississippi, Haley Barbour. Welcome, Governor. Thank you. And his wife, Marsha, the first lady. Haley married well, and so did I. I don't know about you, Haley, but my wife has become quite a one-liner, and she can deliver those one-liners. I called her Laura "Leno" Bush the other day. I love her dearly. She is a fabulous woman. She is a—and a great

First Lady. I'm sorry she's not with me here today.

I want to thank the Lieutenant Governor, Amy Tuck, for joining us. Governor, thank you for being here.

Traveling with me is the Secretary of Education, Margaret Spellings. Thanks for coming, Madam Secretary.

Here's what we believe in Washington, at least Margaret and I believe this: Every child can learn. We believe that. We don't accept a system that simply shuffles kids through school without teaching them how to read and write and add and subtract. I believe schools ought to set high expectations, and I believe we ought to measure to determine whether to not each child is learning to read and write. And by measuring, we can figure out who needs help early, before it's too late. I believe it when I say it, that we should have no child left behind in America, by insisting on high standards in our schools.

I'm traveling with some high—high power out of Washington today. Senator Trent Lott, head of the Budget Committee and a great friend, is with us—thank you for being, Senator—and Tricia Lott. That's not Tricia; that's the granddaughter. And the head of the Appropriations Committee, Senator Thad Cochran—thank you both for being here. The Senator and I traveled down on Air Force One together, and I guess the message I heard was, "Don't forget Mississippi, Mr. President."

I appreciate Congressman Roger Wicker and Congressman Chip Pickering joining us today. Thank you guys for coming. You might be aware of the Pickering name. I was proud to appoint Chip's dad, Judge Charles Pickering, to the Fifth Court. What a fine man he was and what a fine judge he was, and give him our best, please, Chip.

The great Senator Travis Lee is with us. Senator, appreciate you coming. How about the mayor of Canton, Fred Esco. Thank you, Mr. Mayor. Appreciate you.

There are a lot of other folks. If I spent time naming them, you'd never get back to work. So I'm going to stop trying to name them all. But I do want to name one other person. I had the honor of meeting Ruth Wilson today when I landed there in Jackson Airport. Ruth is a longtime volunteer. She helped organize a program at her church that has established a food pantry, an academic tutoring program, a clothes closet, and a transportation service for the elderly. The reason I bring up Ruth is I want to remind you all that the great strength of America lies in the hearts and souls of our citizens.

Some people say the strength of America is our military. We've got a strong military, and I can assure you we're going to keep it that way. Some people say it's because of our economy—is the biggest in the world. That's important, and we're going to keep the environment such that we'll continue to expand jobs across America. But the true strength of America is the fact, we've got people like Ruth who are willing to take time out of their lives to feed the hungry, to provide shelter for the homeless, to love a neighbor just like you would like to be loved yourself.

If you want to serve America, join the army of compassion, volunteer, make a difference in somebody's life. Help change this great country one heart and one soul at a time, just like Ruth Wilson is. Ruth, thank you for coming. I don't know where you are—there you are. Welcome.

I'm here to talk about the Social Security system. I've spent a lot of time working on this issue. I believe the job of a President is to confront problems and not pass them on to future Presidents or future Congresses. I think you expect people in office, like me, if we see a problem, to deal with it and not say, "Oh, it's too big a political risk to deal with it," or maybe, "I don't feel like dealing with it," or maybe, "Somebody says I shouldn't deal with it." I believe you send people to office to say, "Here is a problem," and to take it on

squarely. And that's exactly why I'm sitting here today in Canton, Mississippi, because I see a problem in Social Security. And I believe I have a duty as your President to talk about the problem and talk about the solution. And here's the problem.

First, Franklin Roosevelt did a smart thing when it came time to setting up Social Security. Social Security checks have meant a lot to a lot of people. You know what I'm talking about. Your moms and dads or your grandparents count on that check. We've got some people sitting up here today who count on that check. I fully understand that when you're talking about Social Security, you're talking about something really important for a lot of people. And therefore, the first thing I want to leave you with is that if you're getting a Social Security check today, you're going to keep getting your check. I don't care what the propagandists say. I don't care what the politicians say. Nobody is going to take your check away, and it's important for you to understand that.

Matter of fact, if you were born in 1950—before 1950, nothing is going to change. In other words, the system is solvent for you. The problem is if you're a younger worker. And see, here's the problem: A bunch of baby boomers just like me are getting ready to retire. I reach retirement age in 4 years from now. That's a convenient time for me to retire. [*Laughter*] I turn 62. The Government says when you're 62, you can start drawing a check. There are a lot of us. As a matter of fact, there's 40 million retirees today. There's over 70 million that will be fully retired when the baby boomers retire completely. That's 70 million people, nearly double the amount of people today on Social Security.

And secondly, we're living a lot longer. I try to stay in shape. I exercise and all that, try to do—make smart decisions with my body. I plan on living a long time, and so do a lot of other people my age. We're living longer than the previous generation. You've got a lot of people getting ready to retire who are living longer than the previous generation, and we've been promised greater benefits. In other words, you have people running for office saying, "Vote for me. I'm going to make sure the baby boomers get greater benefits than the previous generation." So think about that math for a second, particularly if you're a younger worker. You got a lot of people like me living longer than ever before, been promised a lot of benefits, and there's fewer of you paying into the system.

You see, in 1950, there was 15 workers paying into the system for every beneficiary—16 workers for every beneficiary. Today, there is 3.3 workers, fewer of you all paying for people like me, who are going to live longer and have been promised greater benefits.

Now, this is a pay-as-you-go system. You pay in, and we go ahead and pay out in Washington. You pay into the system—some people say, "Well, there's a Social Security trust." We'll just take your money and hold it for you and give it back to you when you retire. That's not the way the system works. Part of my responsibility as your President is to tell you exactly what's going on, to lay it right out there for you to hear. The way it works in Social Security is your payroll taxes—and you pay a lot of payroll taxes—go into the system, and we're paying for retirees, like two of the people sitting up here today. And if we have any money left over, it goes to fund Government programs. And all that's left is an IOU. That's how the system works. And so you're paying in, and it's going out. Nobody is—you're not paying in, and we're holding the money for you. You're paying in, and it's going out. And in 2017, because baby boomers like me are getting ready to retire, the system starts to go in the red. In 2027, it's $200 billion a year in the red. In 2030, it's 300 billion; 2041, it is bankrupt. In other words, it's out.

So think about what I'm telling you. This is the math, folks; this is exactly what's

going to take place unless we do something about it. I'm ready to—people like me are retiring. We expect the Government to make good on the promise, of course. But yet we don't have enough money coming into the system to do so. So a lot of younger workers out there will be paying into a system that's bankrupt, and that's not fair.

And that's why I've taken on this issue, and that's why I'm going to continue traveling the country talking about the need to make sure the safety net of retirement is not only good for those who have retired, but it's good for a generation coming up.

Now, I talked about—the other day I had a press conference, and I've spoken about this issue at the—during my State of the Union Address. I said, "Look, I not only have a responsibility to lay out the problem; I've got a responsibility to start helping people come up with the solution." It's one thing to lay out the problem; it's another thing to stand up and say, "Here's some ideas to move forward. Here's some ways we can work together."

First and foremost, future generations ought to receive benefits equal to or greater than the previous generation. So I think if you've been working all your life, you ought to receive a benefit equal to or greater than the promises that I got. I think that's a fair system. So in other words, that's an important principle for people to listen to.

Secondly, if you work hard and—Social Security your entire life, you will not retire into poverty. The current system today, by the way, doesn't say that. The current system says you could work all your life and may end up in poverty. I don't think that's fair. I think people who have worked hard all their life and paying into the Social Security system ought to have a program that makes sure they won't retire into poverty.

And so therefore, I believe benefits for lower income workers should grow faster than benefits for higher income workers, just to make sure that someone doesn't retire into poverty. You know, you hear all this talk about benefit cuts; we're talking about making sure benefits grow at the rate of inflation. That's what we're talking about. You've been promised something; it ought to grow at the rate of inflation. Today, if you're an upper income worker, it grows at the rate of wage growth. What I'm telling people is, is that ought to be applying for younger—lower income workers but not all workers, so that the system can take care of those at the lower income scale. That makes sense to me.

I hope it makes sense to the United States Congress. I think Franklin Roosevelt would be proud to make sure of this: If you work all your life and contribute to Social Security, you should not retire into poverty. I think that's a principle that makes sense. I think it's also important for our elected leaders, both Democrats and Republicans, to come to the table. The American people now understand we have a problem. And our leaders must choose: Do nothing and guarantee a massive tax hike or a 30-percent benefit cut, or act now to keep the promises of Social Security for the 21st century.

The reason I say do nothing and get a tax hike—if we don't do anything, it's estimated that younger workers will have to pay an 18-percent property—payroll tax to make good on the promises. If you don't like 12, try 18. That's a lot. Payroll taxes are some of the highest taxes people pay here in America, and the idea of not having the political will to address Social Security and sticking younger workers with a high payroll tax doesn't make any sense to me.

Now, I know, sometimes Washington locks down. They say, "Well, we can't do this. It will help a Republican or help a Democrat." We've got to get rid of that kind of thinking in Washington, DC. We're talking about—[*applause*].

I've got one other idea I want to talk to you about. By the way, the idea I laid out the other day about growing benefits at the rate of inflation for lower income workers—rate of inflation for upper income

workers and rate of wages for lower income workers solves most of the problem, long-term problem. There's some other things we can work with Congress on to make sure that younger workers have got a system available for them.

Nothing changes for our seniors; I'm talking about those of you born prior to 1950. I'm really talking about the younger workers, because if we don't do anything, you're going to have a huge bill to pay one way or the other.

Now, I've got another idea that I want Congress to consider, and that is being able to take some of your own money, your payroll tax that you pay in the system, and the Government allow you to set up a personal savings account. First of all, it's your money that you send into Washington, not Washington's money. It's your money. We kind of like to spend your money up there. Remember, this is a system you pay in; we take care of the retirees; any money left over, we pay for other programs. Pretty soon the amount of money you send in is going to be less than the money owed to retirees, and it's going to go into the red. That's why if we don't do anything, you're going to end up paying more taxes or we have to cut benefits. But it's your money.

Secondly, I think it's really important to recognize that if you grow your money at 4 percent or 5 percent, it's going to amount to a lot more money than if you keep it in the Government and the Government can grow it at 1.8 percent. It's how interest continues to grow. Some of you may have 401(k)s, and you're watching that money begin to grow. And you hold it in there, and it grows over time, and it starts to—the growth starts to accumulate. It's called the compounding interest, and that's an important concept which is not a part of the system today.

For example, if you have a person who has worked all of her or his life at—earned $35,000, and the Government allows you to take a third of your payroll taxes and set it up in a savings account, and that account earns a reasonable rate of return, that, by the time you retire—this is $35,000 over your lifetime, by the way—and you can take out some of the money, a third of the money that you're paying into the Government and set up an account that's your own, you'll end up with $250,000 by the time it comes to retire—$250,000 plus that which the Government can afford to pay you through Social Security. That's called a personal savings account. That's your asset. The Government can't use it. It's yours. Government can't spend it on other programs. It's a hard asset.

Today, the program has got—leaves behind IOUs, paper IOUs in a filing cabinet. I think when it comes time to make sure the safety net is available for younger Americans, we ought to make sure there's hard assets. You put money in the system; you ought to have an asset you call your own as part of your retirement plan.

Now, people ask me all the time, "Well, if I have a personal savings account, what are the rules?" Well, first of all, you can't take the money and put it in the lottery. In other words, this isn't a—you can't shoot dice with it. This is part of a retirement plan, and so you'll be given the options to choose a conservative mix of bonds and stocks. If you don't want to take any risks, you can put it in Government-backed Treasury bills. But a Government-backed Treasury bill gets a greater rate of return than the money that we've got in the Federal Government. In other words, this is a chance to earn more, watch your money grow in a better way through a conservative mix of bonds and stocks.

This isn't a new idea, by the way. Guess who gets to do this right now: Federal employees, Members of the Senate and the House of Representatives. They've decided this is a pretty good idea for themselves. Seems like to me, if it's good enough for them, it ought to be good enough for Nissan plant workers.

The good news is, these four Members of the Congress agree with me: If it's good enough for them, it's good enough for you, that you ought to be given a chance, if you want—and that's the other aspect. This is a voluntary personal savings account. This isn't the Government saying, "You've got to do this." This is saying, "If you want to do this, this option ought to be available." Some people may not want to do it. I fully understand that. You stay in the Social Security system, and when Congress gets it reformed and I sign the bill, there will be a Social Security system. But I think you ought to be given the choice. As a matter of fact, I think the more Government trusts people with their own money, in this case, the better off the country is.

Thirdly, I like the idea of people owning something. I don't believe that ownership ought to be available just for a privileged few. I don't believe that. I believe the more people are able to build assets they call their own, the better off the country is. I want more people saying, "This is my asset. This is my money, and I'm going to leave it to whomever I choose. If I have a son or a daughter, I want to be able to pass it on to the next generation."

In our country's history, the truth is a lot of people hadn't accumulated assets. And now is the time to change that. I want people to say, "This is mine. I worked hard for this. I've watched this asset base grow, and now I'm going to decide. I'm either going to use it for my retirement, if I want to, or I may decide to leave it to my son or daughter"—your choice. After all, it is your money.

I want to—I want it so that people can say, "I own something." The more people own something in America, the more people are going to say, "I really care about the future of this country." The more people own their home, the better off we are. The more people own their own retirement system and watch it grow, the better off we are.

This plan is good for low-income people, particularly low-income women. Take a 20-year-old mom earning $8 an hour over her career; under my idea of things, when she retires at age 63, she'd have a $100,000 asset base, plus the Social Security plan. And that makes sense, to spread the idea of ownership beyond just the so-called "investor class." I think it does.

I'm particularly concerned about a system that hurts widows or spouses. If you—think about the system today. You work all your life; say, you die before you're 62 years old. You worked 30 years or 40 years, and you leave a widow. If she's working, like most families are now two-working households, if she's working, she'll—when she turns time to retire, she'll get to choose her plan, her benefits or the husband's benefits, which are ever higher, but not both. So the spouse has been working all its life—his life, putting a lot of money in the system, dies early, and the Government says, "You can have one or the other but not both," even though they've been working hard to pay in the system, paying those payroll taxes.

If you allow somebody, if they so choose, to have a personal savings account, you've got yourself an asset that you can pass on to your spouse. It's your money. You can watch it grow, and you can decide where that money goes. To me, this is a lot fairer system. It makes a lot of sense to trust the people with their money.

So don't trust my judgment on this, alone. Trust somebody else, named Sam Beard. He's joined us. He's an expert. He's a fellow who has studied this issue a long time. He happens to be a Democrat. I first got to know Sam when I put together a panel headed by a former Senator from New York who was a Democrat, Senator Daniel Patrick Moynihan. I got into office in 2001, I said—and campaigned on it, by the way—I said, "I want to do something about Social Security if I win." And so I decided to put together a panel of Democrats and Republicans to see what they

came up with. First of all, they had the right spirit about all this business. They didn't say, "I'm serving on this to enhance one political party over another." They said, "We're people who want to take an objective look. Is there a problem, and if so, can we do something about it?"

So, Sam, thanks for joining. Welcome. You might share some of your experiences on the Commission. Were people trying to slug each other whole time there, or they actually have a good conversation?

Samuel Beard. Well, first, Mr. President, I want to tell you I'm honored to be here, and thank you for inviting me. The next thing I want is just to underline the staggering leadership of the President. If you think about it historically, Franklin Roosevelt with the New Deal effected policy and politics for three generations. This President, by talking about creating a stakeholder and shareowner society, if we allow all Americans to set aside $1,000 a year into an account which they own, it will be a watershed issue; it will be historic. And your leadership is tremendous.

The President. Thank you, Sam. Thank you.

Mr. Beard. So I guess I've had the privilege of doing this for 12 years, Mr. President; you're sort of a newcomer.

The President. That's right, yes. [*Inaudible*]—otherwise my hair wouldn't have gone white.

Mr. Beard. I've had the privilege of making 5,000 presentations all across the country, and I want to underline what the President is saying. This is essential for the economic health and future of America and to save Social Security, and it needs to be done as a nonpartisan issue.

[*At this point, Mr. Beard, president, Economic Security 2000, Wilmington, DE, made further remarks.*]

The President. Thanks, Sam. Good job. I appreciate it. Well-spoken.

Deanie Smith.

Deanie Smith. My name is Deanie Smith. I'm 84 years old.

The President. You don't look a day over 82. [*Laughter*]

Mrs. Smith. Thank you, Mr. President. Twenty years ago, I retired after about 30 years of Federal service. And I draw my retirement. And then my husband, who was a veteran in World War II—he's deceased now—I draw his Social Security. I'm not worried about that. But it's my two baby boomers and their sons that I'm worried about.

The President. Well, let me ask you something. You count on that Social Security check?

Mrs. Smith. I do—needed.

The President. Yes. A lot of people count on that check. You know what I'm talking about. You've got folks that are counting on the check. You've got a grandmother or a grandfather that go to that mailbox, count on the check.

Mrs. Smith. Go to the bank.

The President. Yes. And I understand when you talk about Social Security, somebody is going to pop up and try to frighten Deanie Smith or friends. That's how you stop things in American politics; you just try to scare people. And I appreciate you saying that you——

Mrs. Smith. I appreciate your saying it's going to be safe too.

The President. Well, that's it, and I'm going to keep saying it, because it's the truth. And everybody who's involved with this issue knows it's the truth. That's important. It's important for younger workers to hear we've got a problem, and it's important for people like Deanie to understand she's going to get her check.

Keep going. You're on a roll. [*Laughter*]

Mrs. Smith. Well, what I'm concerned about is my son and my daughter and their two sons. Will there be anything left? My son will be eligible to retire—well, he's already retired, but he can't draw Social Security for 9 years. And my daughter is already——

The President. This is a man who retired early.

Mrs. Smith. My daughter is 55, and she's going to need some help too, and so are the two grandsons.

The President. I'd be really worried about your grandsons. See, if you're a younger worker sitting out there or a kid in high school or junior high, you've got a serious problem facing you. You heard the man: Either going to pay 18-percent payroll tax, or there's going to be significant benefit cuts. And they're not going to be cutting benefits significantly on baby boomers. There's just too many of us. Therefore, you're going to have to pay for it. That would be my guess about the political dynamics.

This is a generational issue, folks. Once we assure the grandmoms they're going to get their check—and you are going to get your check—then you begin to hear what Deanie starts saying, "What about my grandkids?" That's what people in Congress are going to start hearing. They're going to hear, "We've got a problem," and then we're going to hear grandparents say, "I'm worried about my grandkids, Member of Congress. I don't care what your party is. I don't care what your political affiliation is. How about coming together to solve this so we don't saddle a young generation with a huge tax bill?" That's how I think about it.

And I appreciate you understanding that you're going to get your check. You hold the rest of us to account to make sure we take care of your grandkids.

Mrs. Smith. And I'm going to insist my grandsons do the right thing.

The President. There you go. Welcome. Coley Bailey, right out of Coffeeville, Mississippi.

Coley Bailey. Yes, sir.

The President. What do you do for a living?

Mr. Bailey. I'm a cotton farmer.

The President. Cotton farmer.

Mr. Bailey. Yes, sir.

The President. You're probably going to tell me the cotton prices aren't high enough and the weather is not any good.

Mr. Bailey. That's exactly what I was going to say. [*Laughter*]

The President. Good. You got any kids?

Mr. Bailey. Yes, sir. I've got—my wife is here in the audience. Her name is Jody. We've got two children: a daughter, MacKenzie, is 4 years old, and then my son, Cole, is 4 months old.

The President. Good. Well, so why is a farmer sitting up here talking about Social Security?

Mr. Bailey. Well, my concern with it is there won't be any Social Security for my wife and I when we reach retirement age.

The President. You're 33?

Mr. Bailey. I'm 32.

The President. Thirty-two—I was trying to get you moving here a little faster. [*Laughter*] You realize, if you're a self-employed farmer, you put the whole 12.4 percent into the system.

Mr. Bailey. Yes, sir.

The President. You're putting 6.2 percent when you're working, but if you're self-employed, small-business owners—a lot of small-business owners here in Mississippi, a lot of farmers in Mississippi, a lot of people working on their own account in Mississippi—they put the entire 12.4 percent in.

Mr. Bailey. Yes, sir.

The President. So you're doubly concerned.

Mr. Bailey. And also what's concerning also, without the personal retirement accounts that you're proposing, we're so close on the farming community with the finances; it would really trouble a lot of them to go from the 12 percent to the 18 percent, plus pay that half of 18 percent that we will be required to pay.

The President. Yes. See, what he's saying is, there's a cloudy future. Do you know how many young people are saying, "I'm not so sure I'm going to see anything from Social Security." It's beginning to sink in.

People say, "Well, I'm more likely to see a UFO than I am a Social Security check if I'm 35 and under." It's beginning to—people are beginning to understand the nature of the issue.

And I mean, people can say, "Well, he's making up the numbers." These numbers are real, folks, that we're just talking about. You heard Sam. He's studied this issue for a long time. My job is to lay it out, to tell you the truth. You can figure out whether or not somebody has got the right solution or not. But I'm telling you right now, if you're 35 years old, you don't think you're going to see a dime. A lot of people don't feel that way, and particularly if you got kids. So he's looking at putting 12.4 percent payroll tax into the system, not thinking he's going to see something coming out of it. No wonder he's sitting up here talking to the President; he's not out there plowing his fields.

Mr. Bailey. Yes, sir. We—one thing that my wife and I have done, when we got married almost 9 years ago, we were worried about—when we were talking about retirement, we didn't even consider Social Security at that—9 years ago.

The President. Any other youngsters think that way? [*Applause*] Talk to a lot—there you go. Sad, isn't it? We're going to change it. That's why we're sitting here. That's why we're talking about the issue, is to make sure that when I say, "Are you worried about seeing your Social Security," those hands won't go up, because we have done our duty—both Republicans and Democrats have done our duty to fix the system.

Go ahead.

Mr. Bailey. What we have done to supplement or to aid in our retirement is—since the Roth IRA has become available—I think Senator Roth from Delaware introduced it in '97, and it was available in 1998. So we——

The President. There you go—he's the kind of farmer who understands history.

Go ahead.

Mr. Bailey. But we have fully funded the maximum amount every year, the 8 years we've been available to us.

The President. Roth IRA, he's watching his money grow. He and his wife said, "I'm going to put a little money aside and watch it grow," right?

Mr. Bailey. The one interesting thing is that, of course, we can go online, or I can call Legg Mason here in Jackson who controls it for me, and I can see what it's doing and how it's doing. And just the way that the interest is compounded, and it's grown over the time that we've done it, it's a good—I would definitely be in support of the personal retirement account.

The President. See, he's used to investing. You know what's amazing about America? When I was your age, I don't think we spent a lot of time on 401(k)s—we're about to talk to a 401(k) owner here in a minute—or IRAs. I just don't remember. I probably didn't, since they didn't exist. And we got a whole group of youngsters coming up in America today—32-year-old cotton farmer, I suspect a lot of Nissan workers, who understand what it means to watch your own assets grow and to make investment decisions.

In other words, there's a cultural change in America. Congress is lagging behind the cultural change, but there's a lot of folks who are comfortable about watching their own money grow, a whole lot of folks. And it seems like to me to make sense that if Nissan thinks it's all right, if this cotton farmer takes advantage of a program, that when it comes time to making sure the Social Security system is modern, that we ought to give workers all across the country the same opportunities.

Ready to go? Cynthia Roberts.

Cynthia Roberts. Again, thank you, Mr. President.

The President. What do you do, Cynthia?

Mrs. Roberts. I'm a human resource representative here at the Canton facility for Nissan.

The President. Right here?

Mrs. Roberts. Right here.

The President. Is it okay for these people to take a little extra time off? [*Laughter*]

Mrs. Roberts. I've worked here for about 3 years now and loved every minute of it. My thoughts are similar to Coley's, as far as Social Security. I don't really think those benefits will be here, not only for myself but also for my two children who are 7 and 2 years old.

The President. See, again, I know I'm getting repetitive, but I hear this story a lot, a younger mom saying, "Mr. President, I don't think the benefits are going to be there for me. I'm worried about it." She's beginning to understand the math. You a 401(k) owner?

Mrs. Roberts. I am a 401(k) owner.

The President. How cool is that? Owns her own assets. How does it work here at Nissan? How does it work at Nissan?

Mrs. Roberts. Currently, what happens is the 401(k), the company will match 60 percent for up to 5 percent.

The President. Yes. And so—are you watching—you're watching the account pretty carefully?

Mrs. Roberts. I do watch. I get a quarterly statement, and I do watch those moneys very closely. I do not like to lose money. [*Laughter*]

The President. No, I don't blame you. Don't shoot any dice, then. [*Laughter*]

Mrs. Roberts. But 401(k) has proved to work out great for me and my family.

The President. See, it's interesting, isn't it? I can't tell you how good it is for the country to be sitting next to Cynthia Roberts, working right here at Nissan, and she's talking to me about watching her assets grow. She gets a quarterly statement. It's a statement that says, "Here's what you own, and here's how it's growing." It's hers. Nobody can take it away from her. The Government can't decide, "Well, we need this for another program." It's your money.

I think it makes sense in a modern Social Security system for people, opening up a quarterly statement that the Government can't spend, the Government can't take away, that you can decide what to do with it. And that's what Cynthia is talking about. Isn't that right?

Mrs. Roberts. That's right.

The President. Is it growing?

Mrs. Roberts. Yes, it has grown substantially.

The President. Yes, has grown substantially. [*Laughter*] I can promise you this: Your money—your money in the Government—if the Government takes your money through your payroll tax, it's not growing substantially. It's growing a little bitty. And at her age, that money begins—when it grows substantially early on, and she keeps reinvesting, and it—it grows substantially a lot quicker over time. And that's important for people to figure out.

Was it hard to invest your own money? Was it hard to get used to?

Mrs. Roberts. No, it wasn't hard. There are different options. I currently use someone with our 401(k) company to help me watch my moneys and to monitor the investments that I make.

The President. So is there—it's a mix of bonds and stocks?

Mrs. Roberts. It is mostly all bonds and minimal stocks, but some stocks. I do take some risk.

The President. Sure. But she gets—well, you're young, you ought to. She can design a portfolio. You hear what she's saying? She's saying they give her a chance to manage her own money, and she talks to an expert and gets to design the portfolio that meets her needs. Doesn't that make sense? It's her money to begin with. The Government ought to do the same thing through the Social Security system. And then Cynthia gets to decide who to leave it to. Isn't that right?

Mrs. Roberts. That is correct.

The President. Unless you decide to spend it when you retire.

Mrs. Roberts. No, I'm not going to spend it. [*Laughter*]

The President. So you view this as a way to not only make sure that there's something for you when you retire—we'll get the Social Security system fixed so that you can't sit up here with the next President you visit with and say, "I don't think I'm ever going to see a dime." I think if we keep talking about this to Congress, it is going to say, "Oops, people like Cynthia know we've got a problem, and they expect us to get something done." So we're going to keep working on it. But in the meantime, you're building up an asset base—I presume with your children in mind.

Mrs. Roberts. That is correct. They are always in mind.

The President. Yes, always on your mind.

Mrs. Roberts. Always on my mind.

The President. I'm afraid I'm always on my mother's mind too, you know? [*Laughter*] Anyway, thanks for coming, and thanks for representing the workforce here. You did good, really good.

I'm just curious—anybody else got a 401(k)? [*Applause*] I rest my case. I rest my case. Are you watching your own money grow? Starting to make sense to have that money you're contributing to the—through the payroll tax to be able to—a part of that to be able to do the same thing? Seems like it makes sense, to me.

Finally, we're going to end with DeLois Killen. Welcome.

DeLois Killen. Thank you, Mr. President. It's an honor.

The President. Where are you from, DeLois?

Mrs. Killen. I am from Union, Mississippi.

The President. Union, Mississippi. And what do you do?

Mrs. Killen. I live in Union. I'm 71 years old.

The President. And you're working.

Mrs. Killen. I am semi-retired. I work for the city of Union at the police department as the dispatcher.

The President. There you go. Whatever you do, don't let her call your car plates. [*Laughter*] Good, thanks for working.

Mrs. Killen. I need to work.

The President. You've been working all your life.

Mrs. Killen. I have been working all my life. And if it wasn't for my Social Security check, I really couldn't make ends meet.

The President. Right. But your Social Security check is not providing enough so that you can retire.

Mrs. Killen. It is not. If I had known what these younger people know now and had the opportunities that they have, I would have had something besides Social Security.

The President. Yes, but that's it for you.

Mrs. Killen. It is.

The President. Yes. That's really important for people to understand, is that DeLois counts on the Social Security check she is——

Mrs. Killen. Very definitely.

The President. Yes, you're over retirement age—barely. [*Laughter*] She has to keep working. The system didn't provide enough for her to retire on.

Mrs. Killen. I'm just another desperate housewife. [*Laughter*]

The President. This has been my week to be around funny women, you know? [*Laughter*] Good one. [*Laughter*] Once again, I'm speechless. [*Laughter*] Keep going. Now, you're on a roll.

Mrs. Killen. Well, I depend on my Social Security for half of my income at least.

The President. Yes.

Mrs. Killen. And I'm so grateful that you say we are not going to lose it, because I intend to be here a long time yet.

The President. That's right.

Mrs. Killen. And I want to be self-sufficient. I want to take care of myself.

The President. There you go.

Mrs. Killen. And with Social Security benefits coming in regularly, I can plan for the future.

The President. That's good. It's really important for our seniors when they hear this debate to have peace of mind, that we're really talking about the youngsters, the young workers, and not you, DeLois. The debate is aimed at making sure the safety net is good for a younger generation of Americans. You're fine. And people born prior to 1950 are fine. But if you're young and working, think about this: The system goes broke in 2041. It's not all that long from now, really, when you think about it. And you work all your life putting your money into a system that's going broke—a little discouraging.

We have an obligation and a duty to fix this. I'm going to continue traveling the country, DeLois, talking about the problem. People in America are beginning to understand we've got a problem. People are beginning to figure it out. A lot of younger Americans are now beginning to pay attention to this issue. If I were you, I'd be paying attention to it too. You got a payroll tax, putting your payroll tax in the system that's going broke. I'd be out there wondering what the heck is going to happen in Washington, DC, to make sure the money I'm putting in is worthwhile.

I'm going to continue assuring our seniors that they're going to receive their checks. You tell your grandma and granddads and your mother and dads, this Government of yours will keep its promise. And I'm going to continue talking to the younger people of America and say that we're going to be wise about how we fix the system. We're going to fix the safety net, and as we do, we're going to make it a better deal for you. As we do, we're going to let you take some of your own money and watch it grow so you can build your own asset base, so you can pass it on to whomever you chose.

We've got a great opportunity here to show the American people that Washington isn't all politics, that Washington has got the capacity to rise above partisan bickering and solve an important problem once and for all. And when we do, when we do, and when we get it done, we'll all be able to say we have done our duty.

I want to thank you all for giving me a chance to come by. God bless you all, and God bless our families. God bless America.

NOTE: The President spoke at 12:17 p.m. at the Nissan North America Manufacturing Plant. In his remarks, he referred to Daniel A. Gaudette, senior vice president for North American manufacturing and quality assurance, James C. Morton, senior vice president for administration and finance, Greg Daniels, senior vice president for U.S. manufacturing, and Dave Boyer, vice president of manufacturing in Canton, Nissan North America, Inc.; Lt. Gov. Amy Tuck of Mississippi; and Travis Lane Little, president pro tempore, Mississippi State Senate.

Remarks in a Discussion on Strengthening Social Security at the Latino Small Business Economic Conference
May 4, 2005

The President. Thank you all. Thanks for coming. Please be seated. *Sientese.* Thank you, Hector. Thank you for the job you're doing with the Small Business Administration. Thank you all for coming today to hear this conversation about how to make sure a very important part of our society functions well for a young generation of Latinos and people from all walks of life.

So today we're here to discuss Social Security and the importance of Social Security. And I want to thank our panelists for

joining us. I want to thank the Latino Coalition for hosting this reception. As I look out into the crowd, I see a lot of familiar faces and a lot of friends. It's great to see you all again. Thank you for coming.

I want to thank Roberto de Posada, the chairman and president of the Latino Coalition. Thank you for hosting this event.

I am honored to be joined today by—or we are honored to be joined by the chairman of the Ways and Means Committee from Bakersfield, California. It's relevant he is here. After all, it's his committee that is going to write the reforms necessary to make sure the Social Security system works for a younger generation of Americans. I have worked closely with Chairman Thomas on a lot of crucial issues. When he says he can get the job done, he means he can get the job done and has proven over the past 5 years that he can get the job done. Mr. Chairman, thank you for joining us.

As well Congressman Chris Cannon from Utah is with us. Thank you for coming, Congressman; honored you're here.

Before I talk about Social Security, though, I want to remind you the war on terror goes on. And today's report on the capture of a top Al Qaida operative, Abu Faraj al-Libbi, represents a critical victory in the war on terror. Al-Libbi was a top general for bin Laden. He was a major facilitator and a chief planner for the Al Qaida network. His arrest removes a dangerous enemy who was a direct threat to America and for those who love freedom.

I applaud the Pakistani Government for their strong cooperation in the war on terror. I applaud the Pakistani Government and President Musharraf for acting on solid intelligence to bring this man to justice. The fight continues. We'll stay on the offensive until Al Qaida is defeated.

Franklin Roosevelt did a wise thing when he set up the Social Security system. A lot of people throughout the last decades have counted on a Social Security check to help them in retirement. As a matter of fact, I'm sure you know people in your communities that rely upon their Social Security check completely to make sure they have dignity in their retirement. It was a wise idea to set up the system, and I am mindful that when anybody in Washington talks about Social Security, a wave of fear ripples through the senior community because they think somebody is about to take their check away.

So I want to open my comments to you all to assure you that your loved ones who count on Social Security will get their check. Nothing will change for today's seniors who are getting a Social Security check. If you—as a matter of fact, if you were born prior to 1950, nothing will change. The system is solvent enough to keep its promises. And that's very important for people to hear. So when you hear all these ads and propaganda saying, well, you know—this talk about making sure the Social Security system is modern and the seniors are not going to get your check, just know it's not true, and please assure seniors it's not true, because it's not.

The safety net will work for them, but there is a hole in the safety net for a younger generation of Americans coming up. And here's why—first, let me just describe the nature of the system, and that is, it's a pay-as-you-go system. You pay in payroll taxes, and the Government takes care of retirees and, with money left over, spends it on other programs. And all that is left is a file cabinet with IOUs. See, some in our country believe that the system works this way: You pay into the system; we hold your money for you; and when you retire, we give it back to you. That's not the way it works. It's a pay-as-you-go system.

Now, the reason there's a hole in the safety net for people who are going to be paying into the pay-as-you-go system is because there are a lot of people getting ready to retire. We are called baby boomers. I happen to be one. I'm retiring

in 4 years—at least I'm eligible for my retirement. [*Laughter*] I turn 62 in 4 years. There are about 75 million baby boomers who will be retired when it's all said and done. There are 40 million baby boomers—I mean, retirees today. So think about that. We have 40 million retirees today, and in relatively quick order, there's going to be over 70 million retirees. So we've got a lot more people that younger workers are going to have to pay for.

Secondly, we are living longer. I plan to live a long time. [*Laughter*] It's why I'm exercising a lot. [*Laughter*] It's why I'm making right choices about what I put in my body. And I suggest all Americans exercise more and be wise about what you eat and what you drink. It'll help you live longer, they tell me. But a lot of us are going to live longer, and we've been promised greater benefits than the previous generation.

So if you're a younger worker out there, you're now looking at more people retiring, who will be living longer—in other words, you have to keep paying more monthly benefits over time—who've been promised greater monthly benefits. And there's going to be fewer of you paying into the system. In 1950, there were 16 workers for every beneficiary. Today, there is 3.3 workers for every beneficiary. In short order, there will be two workers for every beneficiary. So young workers are going to be paying for more people living longer, getting greater benefits.

And the pay-as-you-go system goes negative in 2017. In other words, there's more money going out than coming in. And in—and every year it gets worse. That's just the way it's going to work. And so in 2027, you're going to be $200 billion in the hole, for example. It will be 300 billion in the 2030s, and the system is going to be broke in 2041. So you've got people who are starting to pay into the system now who are paying into a system that's not going to be around.

And I don't want to make younger workers a lot of—nervous in America. The people who ought not to be nervous are the older Americans. You're going to get your check. It's the people paying for baby boomers like me who are going to retire who ought to be paying attention to this issue, because the system is insolvent.

So I have an obligation to encourage Congress to act. And Chairman Thomas knows what I'm about to say: The longer we wait, the more expensive it's going to be. If Congress chooses to do nothing on this problem, you're either going to have to raise your payroll tax to, some estimate, 18 percent or cut benefits dramatically by 30 percent. So now is the time to get after it, in my judgment.

Obviously felt that way because in the State of the Union, I spent a lot of time talking about it and subsequently have spent a lot of time talking about it. I'm going to continue traveling our country making it clear to people we've got a problem, because, see, once they figure out we've got a problem, the next course of action is going to be to say to Congress, "How come you're not doing anything about it? How come you're allowing partisan politics to prevent good people from coming together to solve the problem?"

I have an obligation to put some things on the table, and I've been doing that. First, I believe that future generations must receive benefits equal to or greater than the benefits of today's seniors. Secondly, I believe this country needs to set a goal that says, if you've worked all your life and if you paid into the retirement system, to Social Security, you should not retire in poverty. To me, that's a noble goal. Frankly, it's the kind of goal that Franklin Delano Roosevelt would strongly support.

And so in my press conference the other night, I proposed a way of calculating future benefits for future retirees that said, "If you're a low-income worker, your benefits ought to raise—rise with wage increases, and if you're an upper income

worker, your benefits ought to rise with inflation." Seems fair to me. Seems like a noble calling for the United States of America, to recognize a lot of people work really hard and don't make a lot of money, but when it comes time to retire, there ought to be dignity in retirement. I also believe that younger workers—and by the way, what—that plan alone, that part of a plan, solves the majority of the solvency issue for a generation of Americans coming up.

In other words, what I'm talking about, making sure that we permanently solve the Social Security problem, can be done. And I have an obligation to advance the process by putting out some ideas that I think are important. And I want to thank Chairman Thomas for his willingness to work with us on this issue, and I'll work with him on this issue.

Now I want to talk about something else that I think the country ought to consider, and this pertains to younger workers. I think younger workers—first of all, younger workers have been promised benefits the Government—promises that have been promised, benefits that we can't keep. That's just the way it is. And I believe I have the duty as the President to be willing to confront that fact, to tell people the truth. The younger people in America got to understand that. We've given you promises we just can't keep.

But one way to make a permanent solution to the Social Security system a better deal is to allow younger workers to take some of your own money and set it aside in a personal savings account that you can call your own. And the reason why that's important is because if you watch your money grow with a reasonable rate of interest, you know it compounds over time. There's a compound rate of interest, which means money grows and grows, bigger and bigger and bigger. For example, if you're making $35,000 all your life, and you're allowed to take a third of your payroll taxes and set it aside in a conservative mix of bonds and stocks that have a reasonable rate of return, then when you get ready to retire, you'll have $250,000 as part of a retirement plan. You'll get your Social Security check, whatever the Government can afford, plus money off of your nest egg.

Money grows. And the current system doesn't encourage, doesn't take advantage of compound interest. And so step one is, letting a younger person own their own—manage their own money in a conservative mix of bonds and stocks will mean you get a better deal on your own money. This payroll tax is your money. And the Government ought to say, you get a better deal on your money, and you can watch it grow.

Secondly, I like people owning something. The more people own assets, the better off America is. I reject this notion that the investor class is limited to only a certain kind of person. The more moms and dads accumulate assets, the better off it is for American families. I want more people being able to say, "This is mine. The Government can't take it away. The Government can't spend it. It's not a part of a pay-as-you-go system." And when you pass away, you can leave it to whomever you choose. That's a part of America. And more people that have that—this idea, I think, is fair. It means you get a better deal on your own money. It's fair. It encourages ownership.

Listen, the system today is a lousy deal for widows. The way it works today is, if you and your spouse are working and one of you dies early, then the spouse upon retiring gets to choose the survivor benefits that your spouse has paid into the system or your own benefits, which is ever higher, but not both. So think about that. Somebody may have died at age 52, started working at age 22, worked 30 years and put all that money in the system, and his or her spouse ends up having to choose, to decide what retirement account he or she wants, the one she contributed to or

the one he contributed to, but not both. In other words, the money goes away.

In a personal savings account, as you watch your money grow, a worker sets aside money in an asset base. That asset can go to help the widow or the surviving spouse. The system isn't fair today, and we need to make it fair. And we can make it more fair for people at the lower end of the income scale.

Now, I want to—and during this conversation, some things will come out that I think probably—hopefully some questions will come out that are on your mind. I want to address a couple of things. One, I understand there is a need for more financial literacy in America, and so I've instructed the FDIC and the SBA and the Treasury Department to work with the Latino Coalition and the Hispanic Chamber and other groups to help make sure that financial literacy is more widespread in all neighborhoods and all communities. FDIC has got the Money Smart financial workshop program. They're going to work with the Latino Coalition. SBA has got a negocios.gov program on the web page. Treasury has got all kinds of financial learning materials that we can spread out. And we need your help.

Secondly, what I'm talking about, though, is happening in America already. In other words, I'm not inventing something new to say to somebody, "You can invest your own money." When I was coming up, there wasn't a lot of talk about 401(k)s or IRAs. There wasn't any. And today—yesterday I had an interesting experience. I went down to the Nissan plant in Canton, Mississippi, and it was a very diverse audience, a lot of assembly line workers. And I said, "How many of you all have got your own 401(k)?" I mean, the number of hands that went up was astounding. You've got people from all walks of life managing their money already. People are getting used to it.

Matter of fact, this was such a good idea that the United States Congress a while ago decided in the Thrift Savings Plan, the Federal Thrift Savings Plan, to allow Federal workers, Members of the United States Congress, and Members of the United States Senate to manage their own personal account. See, and the reason why is, I'm confident, they took a look at the rate of return the Government can get versus the rate of return that you can get in a conservative mix of bonds and stocks and decided they'd want their money to grow—they'd want to watch their money grow faster than that available through the Government. And so they said—they just decided, "We'll get to do this, too."

If it is good enough for a Member of the United States Congress to set aside some of his or her own money in a personal savings account so they get a better rate of return, they can pass it on to whomever they want, it ought to be good enough for workers all across the United States of America.

I am honored to be joined by Fidel Vargas today. Fidel is an interesting man. He's already been a—he's 36, and he's already been a mayor of a California city. Did a fine job there.

You know, when I first got elected, I recognized that the Social Security issue was going to be an issue that was going to require some sound thought and reasoning. People needed to be coming together to help think about this issue. And so I set up a Commission. Daniel Patrick Moynihan, the former Senator from New York, Democrat Senator, was the Chairman of it, and I asked Fidel to join.

And welcome, Fidel. Thanks for coming. He is a—well, you'll see. He knows what he's talking about.

[*At this point, Fidel Vargas, managing director, TMG Advisors, Baldwin Park, CA, made brief remarks, concluding as follows.*]

Mr. Vargas. And I'm a little embarrassed to say, but I think I'll share with the President that the first time he ran, I didn't vote for the President. So excuse me for that, sir. But I'm sure—[*laughter*].

The President. Turns out a lot of other people didn't, either. [*Laughter*]

[*Mr. Vargas made further remarks.*]

The President. Great job. Thanks for coming. The fact that you went to Harvard bothers me more than the fact that you didn't vote for me. [*Laughter*]

Mr. Vargas. We both went to HBS.

The President. That's right. I forgot that part. Anyway—[*laughter*]—good job. Thanks for coming.

The message here is really important, that it doesn't matter whether you're a Republican or a Democrat on this issue; what matters is, do you care about the future of the country, and are you willing to set aside partisanship and work in a constructive way to get something done?

If you're a senior, you're going to get your check. You know what's happening now? A lot of grandmothers and grandfathers, when they finally absorb that message, are beginning to say, "What about my grandkids, Mr. President? It seems like there's a big problem coming for them. What are you going to do about?" And now is the time to do something about it.

Fidel, I appreciate your tone; I appreciate your constructive work on this issue. Thanks for coming.

Our next guest is Russell Ybarra. He's *un Tejano.*

Russell Ybarra. A true *Tejano.*

The President. A true *Tejano.* Those are the best kind. [*Laughter*] A businessman—tell everybody what you do, Russell.

Mr. Ybarra. Well, first of all, yes, I was born and raised in the Lone Star State, so we're neighbors.

The President. Very good.

Mr. Ybarra. Again, my name is Russell Ybarra, and I tell people the first three words I learned in Spanish was *lechuga, tomate, y cebolla,* because that was the order we put them on the tacos at my family's restaurant when I was growing up. [*Laughter*] So anyway, I'm the president and CEO of Gringo's Mexican Kitchen. We operate six stores in the Houston area and one in San Antonio.

The President. Good. How are you doing? Making a little——

Mr. Ybarra. We're paying our taxes—on time. [*Laughter*]

The President. How about your ownership? You paying any of that?

Mr. Ybarra. A little bit.

The President. A little bit, that's good. Well, in other words, you're in business.

Mr. Ybarra. Exactly.

The President. That's good.

Mr. Ybarra. We have a duty.

[*Mr. Ybarra made further remarks, concluding as follows.*]

Mr. Ybarra. Again, the 401(k) program in the food service industry is an exception, not the rule. And I thought, okay, we have a 401(k) program implemented, in place, and so we should just have everybody lining up to join the plan. Well, it didn't work out that way. We have very low participation and for good reason: Many of those that work for us are what you would consider low-wage earners.

The President. Can't afford the contribution.

Mr. Ybarra. Right. Exactly.

The President. Payroll tax.

Mr. Ybarra. Well, and that's just it. They're already paying 12.4 percent, basically, and have little or no disposable income to set aside for future retirement. So this really impacts them dramatically.

[*Mr. Ybarra made further remarks.*]

The President. The best thing is to let them take their payroll taxes they're paying into the system and have a plan that allows their money to grow just like a 401(k) can. That's the best thing to do for low-income workers. That's why the Social Security reform is a vital reform for people at the lower end of the wage scale. It's really important.

Anyway, go ahead. Sorry to interrupt.

[*Mr. Ybarra made further remarks.*]

The President. Right. Remember, and this is important for people to hear, this is not the Government saying, "You have to do this." This is Government saying, "If you so choose to set aside some of your own money, you ought to be allowed to do so." It's optional. It basically says that Government is not going to dictate; Government just says, "Here's an option to trust people with their own money."

And a couple of points I want to make on Russell. One, the entrepreneurial spirit is strong in America, and we need to keep it that way. Congratulations on starting your own business.

Mr. Ybarra. Thank you.

The President. This is a chance—you volunteered to come up here, so anybody listening on C–SPAN in the Houston area, looking for a good restaurant, Russell—[*laughter*].

Mr. Ybarra. I'm currently also the Greater Houston Restaurant Association president.

The President. Oh, good, yes.

Mr. Ybarra. And I don't know if you know this or not, but the National Restaurant Association endorses your plan.

The President. Well, thanks. I appreciate it.

If you're making $8 an hour over your life, and you start having a personal account when you're 21 years old, and at the age 63 you'll end up with a $100,000 nest egg. That's if you stay at 8 all your life. In other words, that's how money grows. Wouldn't it be fantastic if a lot of folks who work for Russell's company were able to say, "Here's my money. Here's the nest egg I built up for my family."

The more ownership there is, the more assets passed on through a community, the better off the community is going to be. And the idea of owning something ought to be spread throughout all America. That's the great promise of America. That's what we're all about. You come here; you work hard; you realize your dreams; and you have a chance to build something for your family. How many people—you said your dad and mom came. I suspect there's a lot of first generation of Americans here because their parents came over here because of dreams and hopes.

By the way, speaking about restaurant employees, we've got to have a rational policy when it comes to immigrants coming to this country. I believe if there's—somebody is willing to employ somebody, and they can't find an American worker, and somebody is willing to do the job, we ought to make that connection a legal connection. People come here to work.

And this, by the way, will make our borders more secure. As opposed to people having to get in the back of 18-wheelers and sneaking across, you know, Texas borders or trying to walk across the desert to find work, if you've got a pass that says, "I'm a willing worker willing to work for a willing employer," it means they can just walk across normally and not have to try to sneak across. We'll be able to defeat a whole industry of document forgers and smugglers and *coyotes*, and it means we'll be able to uphold the dignity of persons around the world.

Anyway, it's called diverting off the topic.

Audience member. [*Inaudible*]

The President. Por nada.

Mr. Ybarra. One last point, Mr. President, and I think this is a profound one. The underlying benefit of what you're proposing is a lot like what we did with our core beliefs, reinvesting in our associates and local community. I feel by doing this, the American productivity will increase dramatically.

The President. That's right. Well, basically, what he's just said is, "If you own something, you have a vital stake in the future." I mean, think about how great it's going to be when Jose and Jessica, as they have an investment account—they're young, new married; we're about to talk to them here. But on a monthly basis, a quarterly

basis, daily basis in some cases, you watch your assets grow. You open up a statement and say, "Here is what I own." That encourages people. If they're seeing something they own grow, that the Government can't take away from them, it encourages. And it will enhance productivity, and it will enhance the spirit in a lot of communities.

Good job. Thank you, Russell.

Mr. Ybarra. Thank you.

The President. It's great to see you.

Jose. Jose and Jessica, welcome. Thank you all. Newlyweds?

Jessica Gomez. No, 5 years.

The President. See, not newlyweds. [*Laughter*] I'm glad you're here. Give us a sense of who you are, what you're doing.

Jose Gomez. It's an honor to be here with you. My name is Jose Gomez. This is my lovely wife, Jessica. We've been married for almost 5 years. We have three beautiful kids. I currently attend DeVry University. I'm a full-time student.

The President. Yes? What are you studying?

Mr. Gomez. I'm studying network system administrator.

The President. Network systems administrator—would you like to try to describe what that means to the technologically illiterate? [*Laughter*]

Mr. Gomez. Basically, I will be taking care of a network in a business or something. But I, personally, want to own my own business.

The President. Want to own your own business? That's great.

Mr. Gomez. Yes, I want to start my own business later on, in the future.

The President. Do you have any idea what it's going to be yet, or are you just getting the skills necessary——

Mr. Gomez. Still getting the skills——

The President. ——and the confidence necessary to launch?

Mr. Gomez. That's correct. That's what I'm currently——

The President. That's wonderful, though, isn't it? A guy sits up here with the President, "I want to own my own business." [*Laughter*] You may take a few tips from Russell.

Mr. Gomez. Currently I work in a job part-time, and they don't offer the 401(k). And I work basically on a check-to-check basis.

The President. Yes.

Mr. Gomez. What I like about your plan is it will give me the opportunity to start saving and looking for the future, for our retirement, and if we choose to, pass it on to our kids for a nest egg.

The President. That's an interesting thought. You've got three little kids. Jessica, you want——

Mrs. Gomez. I have three beautiful children: Joslynn, who is 4; Jovanni, who is 2; and Isabella, who is one.

The President. Good, I'm looking forward to meeting them afterwards.

Mrs. Gomez. They're looking forward to it too. I worry more about their future, as any other mother does. I worry about that if the system continues the way it is, as you said before, by the time they work, they're going to be working twice as hard to take care of us when we retire.

The President. That's right.

Mrs. Gomez. So then when they—it's time for them to retire, they're going to just be so worn out, they're not going to—they're going to be broke, both emotionally and financially.

The President. Interesting thought, isn't it? Mom is sitting here, saying, "I've watched—listened to the data." You know, the system starts to go broke 2017; 2041, as Fidel said, there's nothing left. And she's got little kids. She's going to be paying into that system, and so are they. It's a troublesome thought for moms and dads to think about the system as it is, and it's got to be just as troublesome to think that the Government is not—hasn't done anything about it. Now is the time to do something about it.

You know, a lot—I talk to a lot of young folks like Jose and Jessica. There was an

interesting survey once that somebody pointed up to me that said younger people think it's more likely they're going to see a UFO than get a Social Security check. [*Laughter*]

Well, if you feel that way and you watch that money come out of your check every month, it's a little discouraging, isn't it, to be paying into something that you're not sure is going to be around. Yes, so this is a young person issue. Older people, the grandmoms and granddads, they don't have a thing to worry about. We're going to keep the promise. But it's the youngsters who are working hard, the moms and dads who are working hard, and the moms and dads who are worried about their children when they're coming up—that's what this issue is about, folks.

And it is amazing to me that we're living in a town where people oftentimes say, "Well, we can't cooperate with each other because of party politics." You heard a good Democrat sit up here and say he believes a reformed system will help his children and his community. That's the spirit that's needed. And we here in Washington, we need to think about people like Jessica and Jose, young kids, working hard, wants to start his business, got young kids, mom sitting up here saying, "I'm worried about it." She's really saying this, "You people in Government, how come you can't do nothing about it"—or "anything about it?" [*Laughter*]

I've learned to correct myself early before it gets on the record. [*Laughter*] Fortunately, the First Lady is not here. [*Laughter*] She'd probably have some joke about it. [*Laughter*]

Anyway, thank you all for coming. You got anything else you want to add? Well, I appreciate you letting us use you as an example. Looking forward to meeting the kids.

Mr. Gomez. Thank you. It's been an honor.

Mrs. Gomez. Thank you. It's very nice to be here.

The President. Well, thanks for coming.

Our final guest is Elizabeth Fernandez. Elizabeth, welcome. Tell us what you do.

[*Elizabeth Fernandez, member, Latino Coalition Social Security Task Force, made brief remarks.*]

The President. Yes, that's an important concept—sorry to interrupt, but you're right. To run up the payroll-tax rate is going to hurt a lot of small businesses. One of the things we've got to always be mindful of in Washington is how do you make sure the entrepreneurial spirit is strong. And one way to make sure it's not strong is to overtax the small businesses. And so I appreciate you bringing the payroll taxes in; it's a significant burden on many small businesses. And it's really, really an important point. Thank you.

[*Mrs. Fernandez made further remarks, concluding as follows.*]

Mrs. Fernandez. I don't know—do you have a financial literacy program, an education program set up to help——

The President. Yes, we do. That's—the FDIC, Treasury Department, SBA are very much involved with making sure people feel comfortable—I appreciate you bringing that up again, Elizabeth—people feel comfortable about what it means to invest. I recognize some people get nervous about it. You heard a Harvard man said he got—if he'd gone to Yale, he wouldn't have been so nervous, but nevertheless—[*laughter*]. But he said—no, but it's a new thing. You know, some worry about it, but people need to be assured that there are thousands of their fellow citizens who are comfortable now investing their own money. They hadn't been doing it in the past.

In other words, there's a new culture in America today. A lot of older Americans are saying, "Well, this is too difficult for some, perhaps." But there's a lot of younger Americans who are getting comfortable with managing their own money through

a series of programs such as 401(k)s or IRAs, defined contribution plans.

And so—but you're right. We need to make sure people become more financially literate. And by the way, in terms of what you can invest in, you cannot take your money to the lottery. In other words, there's a conservative mix of bonds and stocks. And there are people to explain what it means.

And you get to decide. If you're a younger worker, you may decide to have a more—a greater mix of stocks and bonds. As you get older, you may decide to diversify. But you're constantly making decisions for your own money. The Government doesn't make those decisions for you. The Government makes options available for you. And then when it comes time to retire, you can go into a Treasury bond account, a perfectly safe investment—all of which, by the way, all those investment vehicles yield a better rate of return than you're getting on the Government's money.

I remember campaigning with John McCain on this issue, and he said that his Thrift Savings account—I think he said something like 7 percent rate of return on the money, as money grew over time. And that's compared to 1.8 percent in the current Social Security system. And that 5.2 percent difference in interest makes a huge amount of money—makes a huge difference for you in the amount of money available over time.

So thanks for bringing it up. Elizabeth, anything else on your mind? You're awfully articulate. [*Laughter*]

Mrs. Fernandez. No, I just—thank you for the opportunity to be able to share our concerns, and thank you for your efforts in this area.

The President. Well, one of the things that Elizabeth said that triggered a thought here is that she said, "This is a complex issue. There's a lot of misinformation." And I understand that. There's a lot of moving parts, as they say, which says to me I better keep working on it. And I'm going to. I'm just getting started. This is an issue that—I'm going to spend a lot of time talking about this issue. I will spend as much time as necessary.

Congress has an obligation to act. I appreciate you saying I brought up an issue that I didn't need to bring up. I needed to bring it up. That's my job. The President's job is if—when he sees a problem, is to say, "Let's deal with it," not to shirk the duty, not to pass it on.

Fidel mentioned President Clinton—he started the process. I remember watching the townhall meeting you all had in Albuquerque in 1996, I think it was, and it was a fascinating discussion. Michael Boskin, who I think was on the commission then—I remember Mike, my buddy, talking about it. And I can't remember if you presented there or not.

Mr. Vargas. I was there.

The President. Did you present?

Mr. Vargas. No.

The President. Whew! [*Laughter*] I thought I might have dissed you there for a minute. [*Laughter*] But my only point is, is that that's what the President does. The President confronts problems, and now is the time to take this problem on.

Mr. Chairman, I thank you for being here. Chairman Thomas would not be here if he didn't realize this was a very vital issue to people from all walks of life. And he wouldn't be here if he didn't believe that it was important to work together in a collaborative spirit to get something done. And so thank you for letting us advance the issue. I appreciate you providing the forum. I'm honored our panelists came here. Thank you all for being here again.

May God bless you all, and may God continue to bless our country.

NOTE: The President spoke at 10:31 a.m. at the J.W. Marriott Hotel. In his remarks, he referred to Small Business Administration Administrator Hector V. Barreto; Usama bin

Laden, leader of the Al Qaida terrorist organization; President Pervez Musharraf of Pakistan; and Michael J. Boskin, senior fellow, Hoover Institution, who participated in a national Social Security forum townhall meeting with President William J. Clinton in Albuquerque, NM, on July 27, 1998. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks at a Cinco de Mayo Celebration
May 4, 2005

The President. Bienvenidos. Laura and I are honored to host so many distinguished Hispanic Americans and Mexican leaders here in the *Jardin de Rosas*. [*Laughter*] Welcome to the White House. The way I see it is, *mi casa es su casa.* [*Laughter*] I always look forward to Cinco de Mayo, especially because it gives me a chance to practice my Spanish. My only problem this year is I scheduled the dinner on *el quatro de Mayo.* [*Laughter*] Next year I'm going to have to work on my math. [*Laughter*]

I want to thank you all for coming. I particularly want to thank the Attorney General of the United States, Alberto Gonzales, for joining us; the Secretary of Commerce, Carlos Gutierrez, and Edi; SBA Administrator Hector Barreto and his wife, Robin. Anna Cabral and Victor—Anna Cabral is the Treasurer of the United States. Welcome, Anna.

Eduardo Aguirre, who is the Director of the U.S. Citizenship and Immigration Services.

Audience members. [*Inaudible*]

The President. These guys said they want to get to know you, Eduardo. [*Laughter*] By the way, Eduardo has been announced and, upon Senate confirmation, will become the U.S. Ambassador to Spain.

Mi amigo, el juez del sur de Texas, Ricardo Hinojosa. The U.S. Surgeon General and his wife, Diane—Dr. Richard Carmona.

El Embajador de Mexico, welcome. *El Embajador de Estados Unidos a Mexico,* Tony Garza, *y su esposa nueva,* Maria. Welcome.

I want to thank Congressman Henry Bonilla and Sheryl for joining us today—welcome, Congressman. Congressman Henry Cuellar *de* Texas, welcome.

Josefina Vazquez Mota, Mexico's Secretary for Social Development, welcome.

I want to thank Christian Castro, recording artist, who is going to perform tonight. I appreciate Jaci Velasquez; where's Jaci? Jaci is somewhere. There she is. Thanks. She's going to emcee. I want to thank Mariachi Sol de Mexico.

Cinco de Mayo commemorates a joyful moment in Mexican history. Tonight we're proud to celebrate that moment together. The United States and Mexico are united by ties of family, faith in God, and a deep love for freedom.

More than 25 million men and women of Mexican origin now make their homes in the United States. And they're making our Nation more vibrant and more hopeful every day. Mexican Americans have enriched the American experience with contributions to music and dancing and the arts. Latino entrepreneurs are starting their own businesses all across America and are creating jobs and trading in freedom with businesses across borders. More Hispanic Americans own their own homes today than ever before. And Mexican Americans are firmly committed to leaving no child behind in America.

Mexican Americans are also strengthening our country with their patriotism and

service. Thousands of Mexican Americans have sacrificed in the Armed Services for our freedom. And more than 8,700 men and women born in Mexico now wear the uniform of the United States military. These dedicated men and women are making America safer, and they're making the world safer. And they're carrying on the courage and devotion that inspired an outnumbered band of Mexican soldiers to victory in the Battle of Pueblo on the cinco de Mayo, 1862.

Here at the White House, the triumph of Cinco de Mayo was recognized by President Abraham Lincoln. And through the generations, Americans have continued to look on our neighbor to the south with fondness and deep respect. Tonight we look to the future with confidence in our warm and growing friendship.

And so now it is my pleasure to offer a toast: May God bless the people of Mexico and all the sons and daughters of Mexico who call America home. *Que Dios los bendiga.*

NOTE: The President spoke at 8:01 p.m. in the Rose Garden at the White House. In his remarks, he referred to Edilia Gutierrez, wife of Secretary of Commerce Carlos M. Gutierrez; Victor G. Cabral, husband of Treasurer of the United States Anna Escobedo Cabral; Ricardo H. Hinojosa, Chair, U.S. Sentencing Commission; Mexico's Ambassador to the U.S. Carlos Alberto de Icaza Gonzalez; U.S. Ambassador to Mexico Antonio O. Garza, Jr., and his wife, Maria; Sheryl Bonilla, wife of Representative Henry Bonilla; and entertainers Jaci Velasquez and Mariachi Sol de Mexico. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Interview With Lithuanian National Television
May 4, 2005

Lithuanian Support for Freedom in Ukraine

Q. Mr. President, you thanked President Valdas Adamkus for his efforts spreading the freedom in neighboring countries. What else could Lithuania do spreading the freedom in this region?

The President. Well, first, I did thank the President for his good work in the Ukraine. I thought it was a really great moment when the head of Lithuania got involved and encouraged the whole world to take notice of the freedom movement in the Ukraine. And by the way, that's a—the second election was a really important moment in the liberty movement. And I thanked him for that, genuinely so. And I want to say it again: I thank him for that.

Lithuania serves as a great example of what is possible. After years of being subjugated to harsh rule, the Lithuanians are now free, and they're showing they can grow the economy and that people have a chance to express themselves and there's a vibrant society when you're free. And it has been hard; the transition from communism to a free democracy is a hard transition. And it's very important for the Lithuanians and the Government to share that experience with others who will be going through the same thing. And so I am very proud of Lithuania, and I'm proud to call her friend.

Democracy in Belarus

Q. Mr. President, you showed a strong support for democracy cause in Belarus. And what is your administration planning to do, given the fact that Belarus Presidential election is planned next year?

The President. Well, first of all, we'll work with you, countries in the neighborhood, countries around—the free countries of the world, to insist there be free elections and make sure there's free elections. This is the last remaining dictatorship in Europe. And Condi Rice was in the neighborhood recently, as you know, Secretary of State Rice, and she brought up the subject. She met with people who are embracing the freedom movement in Belarus. I did as well, when I was in Slovakia.

And so one of the roles that the United States can play is to speak clearly about the need for Belarus to be free and to work with people to insist that Belarus be free and, when the elections come, make sure the elections are free and have monitors and international observers. As you know, that made a big difference in the Ukraine, for example. No, it's—and I think—listen, I believe everybody wants to be free, and I believe if the world works together to achieve that, many people will be free.

Lithuania's Role in Afghanistan

Q. Lithuania is taking a concrete role in the reconstructing of Afghanistan.

The President. Yes.

Q. What kind of specific support do you ask—offer Lithuania?

The President. Well, as you know, we've got for our partners in Iraq and—we've got some solidarity funds. We want to work through the foreign aid money to help Lithuania in her efforts to help build a better world. Again, I applaud the President. I thank the people of Lithuania for the support in Afghanistan.

It's important that Afghanistan be free and peaceful; it will serve as an example for others. Again, I keep saying this to people, but you've just got to—the people of Lithuania have got to know how I feel. I believe everybody desires to be free, and I believe everybody deserves to be free. And societies will grow up around different customs and habits. I don't expect people to look like American form of government, but I do believe the world ought to work together to enable people to live free lives and then help countries, once they've become liberated from a tyrant, in the case of Afghanistan.

And that's what Lithuania is doing. And I'm confident the President is doing so because—for the same reason I am, because he understands that free societies, in the long run, will make the world peaceful. And that's what we want for our children and our grandchildren; we want there to be peace.

President's Upcoming Meeting With Russian President Putin

Q. You're going to meet Mr. Putin. Will you repeat your words to him that the Second World War has brought the Soviet occupation to the Baltic States?

The President. Yes, of course I'll remind him of that. I told him in Slovakia that I felt it was important for him to understand that my friends the leaders of the Baltics are upset. In other words, they don't view the end of World War II as a great moment of celebration, and there's a reason why. He took it in. Your President has decided not to go to Moscow. I respect him for that decision. Each leader in the Baltics has to make the decision they're comfortable with. And it was a very difficult period, and so this is a hard decision. And I respect the decisions of the three leaders.

But I did make it clear to President Putin that there is great angst—people don't view this as a liberating moment—and hopefully that he will work with the Baltics in a cooperative way, because it really is in Russia's interest to have free countries and democracies on her border. The more democracies on the border of a country, the more peaceful the country will be.

And so this is a bittersweet moment for a lot of people in America who are from the Baltics—a lot of Lithuanian Americans here, by the way—who, on the one hand,

are really happy the United States defeated nazism, on the other hand, saw their homeland taken over by a repressive communist regime.

President's Previous Visit to Lithuania

Q. Mr. President, thank you. It was a pleasure.

The President. Great. And listen, I want to say one other thing: I want to thank the people of Lithuania for the warm reception Laura and I received the last time we were there. It was one of the great visits of my Presidency. I remember sitting in the town—standing in the town square, and it was very interesting, seeing a lot of older Lithuanians with tears in their eyes. I guess they never thought they'd see the day where the American President came. It touched my heart a lot. And then I saw a lot of young Lithuanians wondering what the heck the American President was all about—you know, they kind of—so it was a very touching visit.

Thank you.

NOTE: The interview was taped at 2:14 p.m. in the Map Room at the White House for later broadcast and was released by the Office of the Press Secretary on May 5. In his remarks, the President referred to President Valdas Adamkus of Lithuania; and President Vladimir Putin of Russia.

Interview With Estonian Television
May 4, 2005

60th Anniversary of the End of World War II in Europe

Q. Thank you very much, Mr. President, for joining our viewers. Mr. President, do you understand and accept the reasons and explanations that two Baltic Presidents are not attending the celebrations in Moscow, 9th May?

The President. Yes, absolutely. First of all, I can understand the decision by your President and the President of Lithuania, as well as the President of Latvia. These are difficult decisions because—and they reflect the difficult times. And I honor those decisions. But I understand.

There's a lot of Americans who came—whose families were in the Baltics. And this is a bittersweet moment for them when you think about it. On the one hand, our country helped defeat fascism, and upon the defeat of fascism, they saw their homelands be taken over by a repressive ideology. And so I fully understand and, matter of fact, understood it to the point where I brought it up to President Putin when I saw him in Slovakia and just said, "You've got to understand this is going to create some sensitivities among our friends, among America's friends, Estonia and Lithuania and Latvia."

Democracy in the Baltic States

Q. It's quite strange situation now. The war is over for 60 years, and it's not still over. Whose fault is it? Whose represented——

The President. No, I appreciate that. Look, it's—I think it's time to move beyond fault and focus on the future. Now, that's easy for me to say because I didn't have any family members that were repressed or families divided. I didn't have to live under the yoke of communism. But I do believe that time will help heal the wounds.

And listen, the Baltics are doing great. Their economies are growing. They're getting stronger. Freedom is working. People are able to express themselves in the public square. Independent media can come and interview the President in the White House. I mean, it is a—these are exciting

times. But I readily understand why it takes time to heal the wounds of the past.

Democracy in Russia

Q. Democracy and the human rights situation in Russia is quite worrying. Are you going to discuss this item during your visit to Moscow?

The President. Oh, of course. I have—first of all, I've got a relationship with President Putin that enables me to be able to have a frank discussion. He gave an interesting speech the other day. The press tend to focus on a comment about the Soviet times, and of course, that obviously riled emotions in the Baltics. I understand that. But he also went on to talk about democracy. I thought it was interesting that he spent a lot of time on his big speech to the nation on democracy. I believe Russia's interest lie to her west. I believe that Russia, by embracing the values that we share, will be able to deal with the many problems that she has. Russia has got enormous problems.

And so, yes, of course, I'll talk to President Putin about that. And I will do so in a cooperative way, in a cooperative spirit. This is not an antagonistic relationship, and I don't think you want the relationship to be antagonistic after all, Russia is your neighbor. I think you would want your friend the United States to be in a position where I can go in and have a constructive, direct dialog. And I think one people—one thing people have learned about me is I'm a pretty direct person. I say what's on my mind; I try to do so diplomatically. But yes, I will. And I do so for the interests of the United States and for our friends and for the world.

War on Terror

Q. Mr. President, I can't let you go from here without a question of terrorism.

The President. Sure.

Q. Latest surveys show that the numbers of terrorism are increasing, not decreasing.

The President. Yes.

Q. Why is that?

The President. Well——

Q. You have made a lot of efforts.

The President. Yes, that's why. If we weren't trying to find the enemy and bring them to justice, the world would look relatively peaceful. But we're on the offense. And so when you engage the enemy, when you try to bring them to justice, they don't like to be brought to justice.

I've always told the American people here, "It's best to find them where they try to hide so that we don't have to deal with them here at home." And so part of the reasons why there's—activity is up is because we're chasing them down. As a matter of fact, today a big news report came out that I would say one of the top Al Qaida leaders, a person very close to Usama bin Laden, was brought to justice in Pakistan by the Pak Government, with our help, but nevertheless, the Pak Government did the hard work—Abu Faraj al-Libbi. That's a very important part of defeating the Al Qaida.

But no, we'll stay on the offense. And we'll be relentless and tireless in doing so. The best way to defeat terrorism in the long run, though, is by spreading freedom, is by giving people a chance to live in a free society.

Q. How long it takes to curb, finally?

The President. Yes, that's a good question. However long—it takes as long as necessary. I just don't know. I don't have a—I can't give you a timetable. But whatever it takes, so long as I'm the President and there's a threat to the United States of America and to our people—you see, a lot of people in Europe, for them, September the 11th was a date, a passing moment. No question they expressed deep sympathy, for which the United States is grateful. But for us, it was a change of attitude. It was a change of foreign policy. And I told the people when I ran for office the second time, I said, "If you put me in office, every

day I'm in office, I'll be relentless in chasing down the enemy." And so, for however long it takes.

It takes a while for freedom to take hold. I know that. Look at Iraq. Iraq is going from a tyranny to a free society, and it's not easy. But they're getting there. This country is beginning to—it's getting on its feet. The security forces are beginning to work better. The terrorists are more desperate. But that free society will be an important part of sending a message to others. And free societies are peaceful societies. And that's the great example of Estonia, for which the United States is grateful, and we're proud to call you friend.

Q. Thank you very much, Mr. President.

The President. My honor.

Q. Very much, indeed.

The President. Thanks for coming.

NOTE: The interview was taped at 2:23 p.m. in the Map Room at the White House for later broadcast and was released by the Office of the Press Secretary on May 5. In his remarks, the President referred to President Vaira Vike-Freiberga of Latvia; President Valdas Adamkus of Lithuania; President Arnold Ruutel of Estonia; President Vladimir Putin of Russia; Usama bin Laden, leader of the Al Qaida terrorist organization; and Abu Faraj al-Libbi, senior Al Qaida associate arrested in Pakistan on April 30.

Remarks on the National Day of Prayer
May 5, 2005

The President. Good morning, and welcome to the White House. Laura and I are honored to join you on this important occasion.

I want to thank Shirley Dobson, the chairman of the National Day of Prayer. Thank you for organizing this event, and thank you for your wonderful comments. I'm glad to see you brought your husband, Jim, with you. [*Laughter*] It's good to have Vonette Bright with us; welcome. I appreciate my fellow Texan, Max Lucado, for his wonderful prayer. Thank you very much; welcome. I'm glad you and Denalyn are with us. Rabbi, thank you for your reading of the psalm. It's good to have your family here; welcome. I appreciate Father Charles Pope, pastor of St. Thomas More Catholic Church here in DC. Kind of sounded more like a Baptist preacher to me. [*Laughter*]

Laura and I are proud Methodists, and we're pleased to be here with Bishop Peter Weaver, who is the president of the Council of Methodist Bishops, who will deliver the closing prayer. Thank you.

It's such an honor to be here with the St. Olaf Choir led by Anton Armstrong. You've got such beautiful music. Thank you for sharing with us. I'm sure they're having a prayerful moment right now—[*laughter*]—praying that I hurry up and finish because they have been standing for quite a while. [*Laughter*]

The National Day of Prayer is an annual event established in 1952 by an Act of the United States Congress. Yet this day is part of a broader tradition that reaches back to the beginnings of America. From the landing of the pilgrims at Plymouth Rock to the launch of the American Revolution, the men and women who founded this Nation in freedom relied on prayer to protect and preserve it.

Today, prayer continues to play an important part in the personal lives of many Americans. Every day, millions of us turn to the Almighty in reverence and humility. Every day, our churches and synagogues

and mosques and temples are filled with men and women who pray to our Maker. And almost every day, I am given a special reminder of this great generosity of spirit when someone comes up and says, "Mr. President, I'm praying for you."

Prayer has been an important part of American public life as well. Many of our forefathers came to these shores seeking the freedom to worship. The first Continental Congress began by asking the Almighty for the wisdom that would enable them to settle things on the best and surest foundation. And when our Founders provided that sure foundation in the Declaration of Independence, they declared it a self-evident truth that our right to liberty comes from God.

And so we pray as a nation for three main reasons. We pray to give thanks for our freedom. Freedom is our birthright because the Creator wrote it into our common human nature. No government can ever take a gift from God away. And in our great country, among the freedoms we celebrate is the freedom to pray as you wish or not at all. And when we offer thanks to our Creator for the gift of freedom, we acknowledge that it was meant for all men and women and for all times.

Second, we pray for help in defending the gift of freedom from those who seek to destroy it. Washington prayed at Valley Forge. Franklin Roosevelt sent American troops off to liberate a continent with his D-day prayer. Today, we pray for the troops who are defending our freedom against determined enemies around the globe. We seek God's blessing for the families they have left behind, and we commit to Heaven's care those brave men and women he has called home.

Audience members. Amen.

The President. Finally, we pray to acknowledge our dependence on the Almighty. Prayerful people understand the limits of human strength. We recognize that our plans are not always God's plans. Yet we know that a God who created us for freedom is not indifferent to injustice or cruelty or evil. So we ask that our hearts may be aligned with His and that we may be given the strength to do what is right and help those in need. We who ask for God's help for ourselves have a particular obligation to care for the least of our brothers and sisters within our midst.

During the funeral for Abraham Lincoln, Bishop Matthew Simpson relayed a story about a minister who told our 16th President that he hoped the Lord was on his side. Lincoln wisely replied that he was more concerned that he was on the side of the Lord, because the Lord was always on the side of right.

Freedom is a divine gift that carries with it a tremendous human responsibility. The National Day of Prayer is a day that we ask that our Nation, our leaders, and our people use the freedom we have been given wisely. And so we pray as Americans have always prayed, with confidence in God's purpose, with hope for the future, and with the humility to ask God's help to do what is right.

Thank you for coming. May God bless.

NOTE: The President spoke at 9:26 a.m. in the East Room at the White House. In his remarks, he referred to Vonette Bright, former chairman, National Day of Prayer Task Force; Max Lucado, 2005 honorary chairman, National Day of Prayer, and his wife, Denalyn; and Rabbi Kenneth Auman, president, Rabbinical Council of America. The National Day of Prayer proclamation of May 3 is listed in Appendix D at the end of this volume.

Interview With European TV NOS
May 5, 2005

President's Upcoming Visit to the Netherlands

Q. Mr. President, thank you very much for giving us the opportunity to talk to you. You're going to Europe, commemorating 60 years of liberation in Europe. You could have gone to many countries. Why did you choose to go to Holland?

The President. First of all, Holland was a stalwart, and the people of Holland were brave and courageous when it came to resisting tyranny. And a lot of people paid a heavy price for standing for freedom in the face of fascism. As well many Americans lost their lives on Dutch soil, and it's an opportunity to praise those who fought, honor those who died, and remind people that there's more work to be done to make the world more free.

Democracy in the Middle East/War on Terror

Q. About that, more work to be done, do you see any similarities about what happened 60 years ago, the Americans, among others, liberating Europe, and what you are doing now, in the Middle East, for example?

The President. Well, it's a different situation, but there is evil in the world. There's always been evil. I believe that those who kill in the name of a great religion are evil people; people who are willing to destroy innocent life or bury people in mass graves or starve people to death are evil. And I think the free world must confront evil. The last choice is to use the military. On the other hand, sometimes you have to.

And as you know, I made a difficult decision. Some in Europe didn't agree. Some in Holland didn't agree, and I can understand that. But now we have an obligation and a duty, it seems like to me, to work together to help others become free. Freedom is universal—freedom shouldn't be just—people shouldn't view freedom as only the purview of Americans or the Dutch or Europeans. Everybody deserves to be free.

President's Leadership and Decisionmaking

Q. But the interesting thing is, Mr. President, that we all agree, also in Europe, about your goals, democracy, freedom——

The President. Sure.

Q. ——safety in the world. Does it frustrate you sometimes that—for example, in the Netherlands they did a poll before you are coming now that a vast part of the population does not agree with the way you're handling world affairs, for example.

The President. Well, you know——

Q. Is it frustrating?

The President. No, it doesn't. I mean, I——

Q. It must be a little, though.

The President. No, it doesn't; it doesn't frustrate me. I make decisions on what I think is right. That's what leaders do. The other day in a press conference, I was asked about polls here in America. I said, "A leader who tries to lead based upon polls is like a dog chasing his tail." That's not how you lead. No, I feel comfortable with the decisions I've made.

Q. Is it maybe, then, a communication problem?

The President. I don't know. I don't follow the Dutch media, don't know what's being said in Holland.

Abu Ghraib/Cooperation in Iraq

Q. Well, when people are being asked about you or America, they admire, again, your goals, but when you talk about, for example, about the war on terror and you see freedom and democracy, the Dutch see that as well, but they also see, for example, prisoner abuse in Abu Ghraib prison or

Guantanamo Bay, where prisoners are being held without charge, or the Americans who do not want their soldiers in The Hague for the tribunal, to be accountable.

The President. Well, we have different——

Q. So they see that problem.

The President. Well, first of all, all Americans, including me, reject Abu Ghraib. That was an aberration. That's not what America stands for. And if people are concerned about the tactics, I understand that, but the goal is peace. And now is the time to work together to achieve peace.

Q. How do you want to do that? What do you want to tell the Dutch people?

The President. Let me finish. But you asked me, do I worry about polls? I don't; that's not what leaders do. Leaders who sit around and read polls all the time are leaders that don't lead.

Q. But the Dutch people are interested in——

The President. Let me finish, please. And I have an obligation to lead. And we're making progress. You saw 8½ million people voted in Iraq. They defied the terrorists. They defied the suicide bombers, because they desire to be free. And now we have an obligation to work to help that country develop into a democracy, because the lesson of Europe, of working together as democracies, has yielded peace.

You know, 60 years ago, people would sit around and wonder whether or not peace was possible. And as a result of the good work of many in Holland and around Europe and the United States working collaborative, the world is a peaceful place. And that's what we have a chance to do today. And that's why I thank the Dutch Government for helping train Iraqis, for example, helping Iraq become stable. And it's in our long-term interest that that happen.

Democracy in the Netherlands/Culture of Life

Q. One last question about something completely different.

The President. Sure.

Q. You're the President in the United States known for coming up for moral values, moral issues, also—Terri Schiavo, for example. The Dutch Government is completely on the other side of the spectrum when it comes to abortion or euthanasia, gay marriages, drugs even. Politicians from your party weren't even—Americans don't go—don't want to go to the direction of Holland. Do you share that concern?

The President. No, I—first of all, Holland is a free country. It's a country where the people get to decide the policy. The Government just reflects the will of the people. That's what democracies are all about. And that's what—that's why we should continue to work for common interest to support government of the people, not government that dictates to people. And so, if that's what the people of Holland want, that's what the Government should reflect.

Q. No special message from the President of America?

The President. No. I mean, people are allowed to make—I have a different view, and many Americans have a different view. I've always worked to promote a culture of life. I think that a civil society is one that protects the most vulnerable among us.

But you asked me whether or not I have a message for the people of Holland. The message is: Keep free, be free, support democracy and liberty, not only within your country but continue to work with free nations to help people be free around the world, and the world will be a more peaceful place.

Europe-U.S. Relations/International Criminal Court

Q. One final question, if I may, please.

The President. Sure, sure.

Q. I think maybe Europeans feel that you're also their President, but they do not get to vote for you. How do you feel that responsibility?

The President. I really—I appreciate that. I'm perplexed by that attitude, because Europeans have got very good leaders.

Q. But your decisions influence our lives.

The President. Well, sometimes they do, and sometimes European decisions influence American lives. But the best way to influence the world is to work together in a collaborative spirit. And I appreciate the leadership in the Netherlands. I get along very well with the leadership, and I am—my pledge is to continue to work as closely as we possibly can.

Listen, there's going to be differences of opinion. You mentioned the International Criminal Court. We're not going to join it, and there's a reason why we're not going to join it: We don't want our soldiers being brought up in front of unelected judges. But that doesn't mean that we're not going to hold people to account, which we're doing now in America. And—nor does it mean that even though we may disagree on the Court, that we can't work for other big goals in the world.

And so, again, on my second trip to Europe since I've been the President, I'm going to continue to emphasize my desire to work with others to achieve peace.

Q. Okay, Mr. President.

The President. Welcome.

Q. Thank you again.

The President. Yes. Thanks for coming.

Q. And enjoy your stay in the Netherlands.

The President. I'm looking forward to it.

NOTE: The interview was taped at 9:48 a.m. in the Map Room at the White House for later broadcast.

Interview With European Print Journalists
May 5, 2005

The President. I'm looking forward to this trip, second trip to Europe since my second Inauguration, second time to the Baltics since I've been President. I've been to Russia a lot of times, first time to Georgia in my life and first time to the Netherlands in my life. And I'm looking forward to the experience.

I'm going to celebrate with others the end of World War II. It's a chance to give thanks to those who sacrificed. It is a moment to understand that with each generation comes responsibilities to work to achieve peace. It will be a solemn occasion in the graveyard, but one in which I will be able to express our appreciation to the Dutch for her friendship and remind the world that we still have great duties. And one of the greatest duties of all is to spread freedom to achieve the peace.

I look forward to going to the Baltics again. When the Baltics first got into NATO, I remember commenting to somebody sitting close to me, I said, "This is going to be a fantastic addition to NATO, because countries that have been—that really appreciate freedom are now amidst a great Alliance, reinvigorating the concept of why we exist in the first place, to defend freedom."

And I look forward to seeing the leaders from the free countries. I look forward to my speech in Latvia, which talks about democracy and the spread of democracy. But also with democracy has got certain obligations, rule of law, transparency, and the protection of minority rights—protection of minorities, upholding minority rights.

I'm looking forward to going to Russia. I'll have a private dinner with President Putin. It will be a part of an ongoing dialog I have with him as we learn to continue

to respect each other and have a frank dialog about our countries' ambitions, decisionmaking.

When you get close to a leader, as I have done with a lot of leaders around the world, it enables one to be able to really understand, learn to understand how a person makes decisions and why a person makes decisions, the philosophy on which a person makes decisions, the justification for decisions. And I look forward to continuing that dialog with President Putin. He'll want to know why I'm making decisions, and I want to know why he's making decisions.

And then we'll, of course, talk about areas of common concern. Russia is playing a very important role around the world, starting with Iran, for example. Russia is playing a very constructive role in helping to bring peace. Russia is a part of the Quartet. As we all work to achieve peace in the Middle East, Russia has an important role to play. Vladimir is going to want to know from me what's happening in Iraq, from my perspective, and I'll be glad to share it with him. And we'll, of course, discuss North Korea. After all, Russia and the United States are part of the six-party talks.

And then I'll be going to Georgia. I was asked why I picked Georgia, and I can remember the enthusiasm President Saakashvili had when he invited me to come. It was contagious. In other words, a verbal invitation, it was just incredibly contagious. He is enthusiastic about your country, and I look forward to going and witnessing the enthusiasm of a new democracy firsthand.

And so it's a chance to go back to Europe and talk about common values, common goals, and the need for us to continue to work together.

And with that, we'll start. Is there any order, or should we just start——

Q. Yes, there is.

The President. You're the first guy?

Q. I'm from Latvia, so we——

The President. We'll just go like this; we'll be even more orderly than that. [*Laughter*]

Kaarel.

Democracy in Belarus

Q. Okay. Sir, about 9th of May in Moscow, how you would feel in standing in the wrong line with, let's say, Aleksandr Lukashenko and General Jaruzelski and maybe——

The President. Well, I think those people know how I feel about tyrants and dictatorship; I've made my position very clear. And I view this as a celebration to end tyranny. Although, I fully recognize the Baltics ended up with a form of government they weren't happy with. It's a moment to remind people that when the world works together, we can end tyranny. And it will be an interesting observation to remind people tyrants still exist.

I look forward to Belarus working with the Baltics and other countries to insist that democracy prevail there. As you know, Condi Rice came to your neighborhood and spoke very clearly about the need for democracy to exist. When I was in Slovakia, I met with freedom fighters, freedom lovers from different countries, and a group were there from Belarus. I reminded them that we believe you should be free, and there is ways to achieve that, and we can work together to achieve that. But seeing these people will just redouble my efforts, if they're there.

Yes, sir.

President's Upcoming Visit to Latvia

Q. Mr. President, as you've said, this will be the second visit by a President of the United States to Latvia, since we regained our independence.

The President. To the Baltics. Oh, you're saying President—I beg your pardon, yes. Yes.

Q. Second to Latvia.

The President. Yes, okay.

Q. So why did you decide to go to Latvia? And how would you characterize the relations between our countries, both historically and at present?

The President. Historically, no question the United States never recognized the form of government imposed upon Latvia, Lithuania, and Estonia. As a matter of fact, you might recall the history of the Embassies that were here, that were treated as independent Embassies with the flags of the free countries flying above those Embassies. In other words, we never recognized what took place. That's because we believed in your freedom.

And that hasn't changed. I was proud to represent my country the day the three Baltic countries entered NATO. I remember the leaders walking in. It was a very profound moment. And I remember going to Lithuania to give a speech in the town square there, heralding the mission into NATO and reminding people that that meant that the United States and other nations would make sure that the sovereignty of the three nations remained.

Our relations are good, very good, with Latvia. And as I'm sure the press has reported—and accurately so—I'm fond of the President. I think she is a remarkable woman. She is courageous. She is forthright. She speaks her mind, which I appreciate. Some people accuse me of speaking my mind, and I do. And I appreciate her speaking hers, because I think it's the way you deal with people respectfully. You understand there is difference of opinion, but I appreciate somebody who shares—has an openness in the relationship, a frank relationship. And that's our relationship, and I'm really looking forward—I appreciate the invitation, and I'm looking forward to going.

Q. Thank you.

The President. Stasys—is that how you pronounce it?

Q. Stasys, yes. Stasys.

The President. Stasys?

Q. Yes.

The President. What does Stasys mean in English?

Q. Just a name. [*Laughter*]

The President. Stasys means Stasys.

Q. Yes.

The President. You're the first person I've met named Stasys.

Q. Not the first person I've met who didn't like joke, yes. [*Laughter*]

The President. How about George W.?

Lithuania's Role in Afghanistan

Q. First one. [*Laughter*] Okay.

Mr. President, one of the greatest challenges for Lithuania as a member of NATO—a NATO member for a year now, it's taking a lead in restoration of one of Afghanistan's province. Isn't this mission too hard for this small country? And will the United States help us politically, technically, and financially?

The President. Yes to the latter, to the extent that Congress is willing to appropriate money. We make requests for reimbursements to allies in various theaters. A country would not have—first of all, you're a free country, and you make decisions based upon what you think your country can handle. And the fact that Lithuania has agreed to lead one of the reconstruction teams, I think is a statement of progress and a statement of principle; progress in that Government feels like it's plenty capable of handling the responsibility; statement of principle that free countries have an obligation to work together to promote freedom for the good of mankind.

And after all, the lesson of Europe—60 years ago, leaders were sitting around, I don't think they were spending a lot of time wondering whether or not peace—Europe could be whole, free, and at peace. Imagine the trauma. But there were visionaries, visionaries in Europe, visionaries around in America and around the world that said, "If we work for freedom, we'll leave the world a more peaceful place."

And Europe is a much-changed place. Sixty years is a long time for some, but

in the scheme of things, it's not that long. And yet, 60 years after trauma and sacrifice that we'll be honoring in a graveyard in Holland, Europe is at peace, remarkably at peace. And times are changing. And Lithuania and other countries recognize that by working together today in places like Afghanistan and Iraq, we'll be able to look back at free societies and say, "Those free societies left behind a more peaceful world."

And so I'm proud of your country and proud of the decisions made. And of course, there will be help. The idea of putting out a country without the support is just not part of the coalition strategy.

Yes, ma'am.

Democracy in Georgia

Q. Mr. President, your visit to Georgia is really a historical moment for all Georgians, and I'm sure a lot of people will meet you at Freedom Square. And these people think that your visit shows America's growing interest and support—supports Georgia in its pursuit of democracy. How does the America's rising interest in this country, and what must be done by the Georgian Government, itself, to make this interest and support sustainable?

The President. Great question. American interest was obviously piqued with the success of the Rose Revolution. Interestingly enough, the Rose Revolution led to other revolutions—the Orange Revolution. The desire for people to be free is universal, and sometimes the decision by people to take peaceful actions to insist upon democracy sparks interest elsewhere, kind of lights a wildfire.

And so that's why—that's what first got the attention of the American people about what took place in Georgia. Listen, Americans love freedom. It's something that is part of our nature. And we recognize that people are going to develop government that matches their cultures and their histories, but we love the idea of people being free. And the Rose Revolution captured our imaginations and our appreciation.

The Government of Georgia is making very difficult but important decisions, routing out corruption, for example, insisting upon rule of law and transparency, all of which will help pique American interest when it comes for investment. Nobody wants to invest in a society in which you don't get a fair shake in the courts or the rules change or you have to be corrupt in order to make your investment worthwhile.

So the Russian—I mean, the Georgian Government is making very good decisions about basic fundamental pillars of democracy, which serve as a great example for people around the world. Listen, it's hard to go from a society in which you've had a government imposed on you to a free society. It's just difficult. It's hard to go from a tyranny to liberty. And yet we live in a world where everybody expects it to happen overnight. And yet the Georgian example shows that with time, diligence by a government, that positive foundations can be laid.

And so I will praise those foundations. Again, I'll thank the Georgian people as well for not only setting an example but also willing to lend troops, for example, in Iraq, on that theory—which I believe is true, as does the Georgian leadership—that freedom will equal peace. That's what we want.

I'm really looking forward to the experience. I'm looking forward to giving a speech in Freedom Square. As a matter of fact, I'm getting ready to go over the speech here this morning. I want to make sure that when I say something, it's got meaning. And it's going to be an exciting moment for me. I thank the people of Georgia for inviting me——

Q. For many Georgians as well. Everybody is very excited.

The President. It's going to be great.

Yes, sir.

Aftermath of September 11/War on Terror

Q. Mr. President, a few months ago you mentioned in Brussels the violence in the Netherlands. I presume you referred then to the murder on moviemaker van Gogh.

The President. I did.

Q. And that murder reminded the Dutch that they have a common interest with you—with the U.S. in combating terrorism. But some critics argue that tensions in Dutch society and in the world between Muslims and non-Muslims were not only a result of 9/11 but also a result of the way you responded to 9/11, especially with the Iraq war. What is your answer to those critics?

The President. My comment was—I also heard there was some criticism about the comment that maybe I was being critical of Dutch society. Of course, I wasn't. What I was saying was—and I thank you for your question, because your question recognized the gist of my comment. My comment was, "Evil can strike anywhere." Killing innocent people is an evil act. And therefore, we must work together to share information, to cut off money, to prevent people from killing innocent people in order to achieve a political gain. And that's really what I was referring to. And I was referring to the horror of the van Gogh murder.

I have a duty to protect our country, and I took necessary actions to do so. I don't want to—I can spend a lot of time, if you like, going through the desire to go through the United Nations process and getting the resolution. The world spoke with one voice. I tried every diplomatic means necessary.

But I don't buy into the theory that taking actions to defend yourself causes extremists to murder people. I think that's part of their ideology. I think it's part of their methodologies. As a matter of fact, this notion about kind of tolerating the world as it is and hope for the best didn't work. It led to an attack on our country where 3,000 people died.

Now, look, I fully understand, in Europe that was a traumatic—a dramatic moment, but it was a passing moment. For us, it was a change of philosophy and a change of attitude, and that's been part of the issue with Europe. And I will continue to reach out to explain that our national consciousness was affected deeply by that attack. That's why yesterday, when we—we've been working with the Paks, the Paks made the arrest of this guy, Abu Faraj al-Libbi, was a big deal for us because he was a plotter. But my message to Europe, and to the Dutch in particular on this one example, was that we have a lot of work to do.

The message also is, though, that in order to defeat anger, the sentiments that cause people to want to join a extremist movement that's willing to kill innocent life and a movement which has killed innocent life all over the world, is to spread freedom. But there's no freer country in Europe than the Netherlands. And I appreciate that.

Russia-U.S. Relations

Q. Mr. President, you are going to Moscow mainly to participate in the celebration of the—[*inaudible*]. You will say on this occasion how you like to send a positive message to Russian people, President Putin back in Moscow, so you are going to meet with the leaders of the civil society. And many of these leaders are concerned about the dangerous tendencies in Russia, like a slackening of democracy and the—[*inaudible*]—of horror by gunmen. Do you like to discuss this issue along with your positive public message?

The President. Well, no, that's right. Listen, I think the fact that I'm in a country where I'm allowed to meet with people from civil society is a good signal. I mean, there is a civil society, and they're allowed to speak to the American President about concerns. I have no idea what they're going to say. I'm looking forward to it. I think it's good. And I will assure them that my message that I will give in Latvia, speaking

to the world, same message I give here at home, is the message I continue profess, and that is minorities have rights in a democracy.

And listen, believe me, our country wasn't always perfect, because it couldn't be said that minorities always had rights in America. We enslaved people for 100 years in our country. And my point in saying that is that the path to an ideal democracy is hard. And I recognize it's hard. But nevertheless, it's a path we ought to stay on for the good of our respective peoples.

And again, I repeat to you—and this is an important thing for people to understand—that a respectful relationship with a leader of a great country like Russia is important to maintain. And I have a respectful relationship. I'm able to express concerns and ask questions and get responses in a civil way. And I think that's very important to make sure our relations are good. And we don't always agree with each other. Vladimir didn't agree with Iraq. A lot of people didn't agree with Iraq. But nevertheless, I was in a position where I was able to explain it to him why I made the decision I made.

But there are a lot of problems in which we have common ground and need to work together. And I cited some of them earlier in my opening comments. And I meant them. And so I'm—I view our relationship as a crucial relationship for peace. And I believe Russia's interest lay west. And we'll continue to work with President Putin to convince him to pursue those interests. I will also remind him that decisions he makes affects the capacity to attract foreign capital. I will also thank him for the speech he gave. The kernel of the speech he gave to the state of—I'm not sure what you call it, the state of the people or state of the union or address to the people or—we call it State of the Union, but whatever you call it in Russia—was that he spent a lot of time on democracy and institutions related to democracy. I read the speech, and I'll talk to him about that.

We've got time for one more round. If you can make your questions short, I'll make my answers shorter.

Freedom and Democracy

Q. Mr. President, you're often speaking about freedom and about the march to freedom and about—freedom. How do you define freedom?

The President. Freedom, democracy?

Q. Freedom as such.

The President. Well, I view freedom as where government doesn't dictate. Government is responsive to the needs of people. I was asked by a Dutch journalist earlier, was I concerned about some of the social decisions the Dutch Government made. And I said, "No, the Government reflects the will of the people." That's what freedom—government is of the people. We say "of the people, by the people, and for the people." And a free society is one if the people don't like what is going on, they can get new leaders.

And my country had a chance to do so. Fortunately, they chose not to. But nevertheless—[*laughter*]—but that's free society, society responsive to people.

Again, I'll repeat to you, my vision of free governments does not reflect—I recognize they're not going to reflect what America looks like. We're different. But so is each country here different. And the governments will reflect the taste, the culture, the history of the country. But all democracies will reflect the will of the people, and that's how I define it.

Aivars.

Q. Thank you.

The President. Did I get it right?

Q. It was correct.

The President. Thank you. What does Aivars mean in English?

Q. Well, it's from—it comes from the Anglo-Saxon word "aivar," meaning the god, the lord, the housekeeper.

The President. Really?

Q. Yes. [*Laughter*] So may I ask a question now?

The President. Yes, sir. [*Laughter*] These guys—I sometimes try to throw them off balance by, "I'm asking the questions." Anyway, go ahead. Sorry.

Russia-Baltic States Relations

Q. That's fine. You've said that in Moscow you will try to understand why a person makes—what and how a person makes decisions. I would like to ask, when you meet with President Putin in Moscow, what will you say to him about Russia's relations with the Baltic States?

The President. Well, I've already had this discussion with him. I will remind him that democracies on Russia's border are very positive. See, a democracy reflects the will of the people, and people don't like war. They don't like conflict. They want to live in—a chance to raise their families in a peaceful environment. And it is a constructive, positive development when a country has got democracies on her border. We know firsthand in America because we've got democracies on our border. And we've got issues with Canada and Mexico, of course, but they're resolved peacefully because we're democracies. And that's what I'll remind President Putin.

Stasys.

Visa Policy

Q. Correct. [*Laughter*] Mr. President, when Baltic State people can expect a visa-free regime with the United States, please?

The President. Yes. Thank you for bringing that up. As you know, the visa policy that affects many of the Eastern European countries and Baltic countries was established a while ago, during a different era, and it is different from parts of Western Europe. And we're now in the process of reevaluating our visa policy, country by country, and want to work with a way forward with each country to come up with a visa policy that affects the people fairly.

This is an issue, obviously, in Poland, the Czech Republic, Slovakia; every country in Eastern Europe, as well as the Baltics, has the same concern. And there is a way forward, by the way. And I'm confident your Governments are working on the way forward.

Yes, ma'am.

Georgia-Russia Relations

Q. Unresolved conflict in Georgia remain main basis for uncertainty in the whole region. So this conflict hinders our ability to achieve long-term stability and security. [*Inaudible*]—Russia continues to support separatist leader in breakaway territory of Georgia. In its turn, the best effort of multilateral entities, such as U.N. and the OSC, is their ability to make stability in the region, so has not been so successful so far. What concrete, more aggressive steps and initiatives can your administration take to help Georgian Government achieve more tangible results in settling this conflict?

The President. As to the bases, as I understand it, the Government of Russia has made a statement that they'll be out of the bases. And this is obviously an issue that needs to be resolved between Georgia and Russia. I spoke to the President the other day, who asked me to bring this up when I saw President Putin. I guess I'm now bringing it up via the press. But anyway, I will, as well as the territorial issue that President Saakashvili has put a way forward. Hopefully, the Russian Government will see that as a peaceful way to resolve the issue and work with the leader in the territory there to come to the table and deal with it peacefully.

The key thing is, is that all parties agree to deal with this issue peacefully—these issues peacefully. It's—seems that's fair to me. I'll be able to get a better gauge when I sit down and actually speak to people about it. But this is an issue—and it's a very important issue that the Georgian Government work peacefully with Russia, because it will serve as an example for other issues that are now beginning to rise in a neighborhood that—listen, Russia has got a lot of territory. It's a huge country,

and it has got a lot of countries around her border. And when these issues get resolved peacefully, the world will see the fact that the Russian Government is interested in peace and that people are able to come to the table in a way that can deal with issues that have been in the making for a long period of time.

So we need to move the process forward. We can help facilitate dialog as best as we can, but this issue will be resolved by the President of Russia and the President of Georgia and the people in the territories.

Guantanamo Bay Detainees/Abu Ghraib

Q. Mr. President, you are a transformational, they call it, and promoting democracy in the world is a very ambitious goal and achieve peace, changing the world, and it's also acknowledging Europe. But such a far-reaching idealism can also easily lead to moral inconsistencies that risk to undermine your credibility. For instance, how does the way detainees at Guantanamo Bay are being handled, how does that relate to your promotion of democracy and the rule of law?

The President. I appreciate that. That and, for example, the pictures people saw about the prison—prison abuse is different from the detainees in Guantanamo. We're working our way forward so that they—and our courts, by the way, are adjudicating this. It is a clear, transparent review of the decision I made by the courts, so everybody can see it. And they're being argued in the courts as we speak. People are being treated humanely. They were illegal noncombatants, however, and I made the decision they did not pertain to the Geneva Convention. They were not—these were terrorists.

Obviously, we've looked at Iraq differently. I can understand people being concerned about prison abuse when they see the pictures out of Abu Ghraib. And it made Americans universally sick, because the actions of those folks didn't represent the heart and soul of America, didn't represent the sentiments of the American people. And I am an idealistic person, because I believe in what is possible. I believe that freedom is universal, and I believe, if given a chance, people will seize the moment. But I'm also a realistic person, and I'm realistic enough to know that images on TV have sullied our country's image at times. And we've just got to continue to spread—tell people the truth, be open about the mistakes of Abu Ghraib, hold people to account.

Q. Would you say—can I follow up?

The President. Yes, sure.

Implications of President's Policy for Autocratic Regimes

Q. You say you are a realistic person, but there's also a problem with the limits. What are the limits of your idealistic policy? Does every autocratic regime, like Iran, just fear—just to have fear of the American military power?

The President. Oh, as I said, listen, I think issues ought to be solved diplomatically. My last choice is to commit military power. It's a very difficult, hard decision to put people in harm's way. On the other hand, I do believe people ought to be free. I said in my speech—I'm going to say it again in Europe—that we ought to have a goal to end tyranny. Why should we be content when we know people are living in fear? We should have a goal to end the pandemic of AIDS as well. In other words, these are big goals. If you don't set big goals, you never achieve big things.

And I recognize it's—I didn't say, "End tyranny tomorrow"; I said, "End tyranny over time." And in my speeches that I talk about, I always say, "We need to work with friends to achieve—and I believe we can achieve those goals." But I'm also recognizing that—there's an issue, for example, in—the idealistic position was to work with the world, the United Nations, France, and the United States to get Syria out of Lebanon. But there's a consequence to that. There will be a vacuum. And now we've

got to work, if we get Syria completely out—and I say "if" because we're able to measure troops; it's harder to measure intelligence services. But the statement is, "All out, not halfway out, not partially out, but all out"—and meaning it when you say it, by the way.

But there's a consequence to that, and that consequence is, is that there will be a period of time when the Government, a new Government, is going to have to try to figure out how to make sure there's minority rights. There's a lot of religious groups. And there the world needs to help this new democracy—I say "new democracy," a democracy without Syrian influence that basically determined the course of action—to help that Government go forward. That's another role we should play. But if you didn't have an idealistic streak in you, you wouldn't be saying, "It's possible to achieve democracy in Lebanon." Yet I believe a democracy will be achieved in Lebanon, and I know it will serve as an important example in a neighborhood that is desperate for democracy.

I could keep rolling, because I believe that—I think you're seeing the beginning of great, historic change. And it's going to be bumpy. It's going to be rocky, and it's not going to be easy. I just told you, we have our own Government—here we are, the proponents of democracy, and we, ourselves, were certainly not perfect for many years. And we've still got work to do here at home, don't get me wrong. But I feel passionately about the freedom movement because I truly believe that etched in everybody's soul is the desire to be free and that there is universality in freedom. And I reject the concept that certain people cannot self-govern or shouldn't be free because of the nature of their religion or the color of their skin.

Final question.

War on Terror/Russia-U.S. Relations

Q. Mr. President, how countries who are allies during the war, now they are partners and allies in the war against international terrorism. Are you satisfied with the level of coordination it——

The President. Satisfied—excuse me, satisfied with?

Q. With the level of coordination on antiterrorist struggle, don't you think that the selling of Russian missiles to Syria and the Russians selling automatic Kalashnikovs to Venezuela could damage these relations?

The President. First of all, our relationship with Russia is broader than just cooperation on the war on terror. Listen, Russia—and the cooperation on the war on terror is good. And we were horrified with Beslan, and I know President Putin bore a heavy burden during that period of time. And we were horrified with the subway bombings and the movie theater tragedy. It just goes to show that terrorists can strike anywhere and are willing to do so. And I appreciate the cooperation we've had.

But we've got working groups on a lot of fronts, dealing with proliferation matters, energy matters, trade matters, dealing with WTO matters, dealing with institution-building matters. We've got a lot of relations, and that's good. In other words, it's not just a unilateral relationship.

We've made it clear that—and by the way, Vladimir Putin went to Israel and got to explain his decision on Syrian missiles, which I thought was very interesting. And we made our position very clear on the AK–47s to Venezuela, and that is, is that we're concerned that those weapons could end up in the hands of FARC, for example, a very destabilizing force in South America.

I do appreciate the cooperation—I was asked at a press conference by a member of our press corps about Iran, and I felt like the cooperation—the question, basically, seemed like to me to suggest that the Russians were at odds with what the United States, France, Germany, and Great Britain are doing. I don't view it that way. I view it quite in concert with, because Russia has made it clear that the Iranians

should not be in a position to enrich uranium. And what they have suggested is that the Iranians take enriched uranium from Russia, use it in a civilian nuclear powerplant to develop power, and that Russia would then pick up the spent fuel rods. To me, that's very constructive, and I thought it was a constructive suggestion. It just goes to show that Russia is a player in the world scene and was willing to make a constructive suggestion on a very difficult issue that we're all working to try to achieve in a peaceful way, through diplomatic means.

Listen, thank you all for coming. I'm looking forward to the trip. I hope you got that sense, at least, from the conversation. I'm enthusiastic about traveling to countries. I look forward to, as best as a President is able to do, getting a sense of the people. And again, I look forward to meeting the leaders. I'm really looking forward to meeting—seeing Her Majesty as well. Thanks.

NOTE: The interview began at 10:23 a.m. in the Roosevelt Room at the White House and was embargoed for release by the Office of the Press Secretary until 10 p.m. In his remarks, the President referred to President Vladimir Putin of Russia; President Mikheil Saakashvili of Georgia; President Aleksandr Lukashenko of Belarus; Gen. Wojciech Jaruzelski, former Prime Minister of Poland; President Vaira Vike-Freiberga of Latvia; movie producer Theo van Gogh, who was murdered in Amsterdam on November 2, 2004; Abu Faraj al-Libbi, senior Al Qaida associate arrested in Pakistan on April 30; and Queen Beatrix of the Netherlands. He also referred to FARC, the Revolutionary Armed Forces of Colombia. A tape was not available for verification of the content of this interview.

Letter to Congressional Leaders on Continuation of the National Emergency Blocking Property of Certain Persons and Prohibiting the Export of Certain Goods to Syria
May 5, 2005

Dear Mr. Speaker: (Dear Mr. President:)

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the national emergency declared in Executive Order 13338 of May 11, 2004, blocking property of certain persons and prohibiting the exportation and reexportation of certain goods to Syria, is to continue in effect beyond May 11, 2005, to the *Federal Register* for publication.

The actions of the Government of Syria in supporting terrorism, pursuing weapons of mass destruction and missile programs, undermining United States and international efforts with respect to the stabilization and reconstruction of Iraq, and with respect to Lebanon pose a continuing, unusual, and extraordinary threat to the national security, foreign policy, and economy of the United States. For these reasons, I have determined that it is necessary to continue in effect the national emergency authorizing the blocking of property of certain persons and prohibiting the exportation and reexportation of certain goods to Syria, and to maintain in force the sanctions to respond to this threat.

Sincerely,

GEORGE W. BUSH

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. The notice is listed in Appendix D at the end of this volume.

Letter to the Speaker of the House of Representatives Transmitting Budget Amendments
May 5, 2005

Dear Mr. Speaker:

I ask the Congress to consider the enclosed FY 2006 budget amendments for the Departments of Agriculture, Education, Health and Human Services, Justice, and the Treasury; and the United States-Canada Alaska Rail Commission. Overall, the discretionary budget authority proposed in my FY 2006 Budget would not be increased by these requests.

This transmittal also contains FY 2006 budget amendments and an FY 2005 proposal for the legislative branch. As a matter of comity, appropriations requests of the legislative branch are commonly transmitted without change.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

GEORGE W. BUSH

Interview With Latvian Television
May 4, 2005

Latvia-U.S. Relations

Q. So there is no secret that you were a jet pilot, so how would you describe, in a couple of sentences, where is Latvia on your radar?

The President. That's very interesting. Latvia is a close friend. Latvia is a country that has made a big difference in important alliances to the United States, like NATO. I remember when the moment came when the countries—the new countries admitted to NATO came into the room that I was sitting in, and I turned to the person I was sitting next to and said, "It's going to be so important for NATO to have these fresh—these new countries, because they bring a fresh outlook to freedom. These are people that have recently lived under, in this case, communism and realized what it means to be free, and it's going to be very important."

And so Latvia is very high on my radar screen. Plus, I'm very close to the President.

Q. How come you've become such good friends?

The President. Well, first of all, she's a straightforward person. I like straightforward people. You know, sometimes in politics you get people who say one thing and don't mean it. When she tells me something, she means it. She's very engaging and—very intelligent woman, and I admire her courage. And so I'm fond of her.

Russia-Baltic States Relations

Q. You're good friends with President Putin of Russia. Do you think you could encourage him to admit historical justice and admit the fact that Baltic States were occupied in 1940?

The President. Well, yes, I've talked to him about this issue when I was in Slovakia. I said, "Do you understand, friend, that you've got problems in the Baltics? You've got problems with Latvia because people don't like—the remembrances of the time of communism are unpleasant remembrances, and you need to work with these young democracies." I explained to him that it's best that there be democracies on his border, free countries, because free countries don't attack people; free countries listen to the hopes and aspirations of people. I don't know if I've made any progress with him or not, but I have made my position clear.

I understand there's a lot of people in the Baltics who are—you know, don't view the celebration in Russia as a day of liberation. Frankly, it's the beginning of a difficult period, and I can understand why some leaders of countries aren't going and some others are. That's a decision each leader must make, and I respect the decision of each leader.

But I'm going to continue to speak very forcefully on freedom and liberty, and the Baltics are a great example of free countries.

Q. But you are pretty certain that Russia is at least on the right path of development, and it does not pose any threat to its smaller neighbors?

The President. Well, I certainly hope not. And one of the reasons a relationship with the United States and Latvia is important is, is that we will stand with Latvia if a larger country tries to intimidate the people. That's the great thing about Latvia joining NATO, is that the security is now guaranteed by not only the United States but all members of NATO.

Listen, the President and I speak about relations between Russia and Latvia quite frequently. And my job at times is to send a message that says, "Look, treat your neighbors with respect. Free nations, democracies on your border are good for you, whether that be, by the way, in the Baltics or in Ukraine." I've sent that same message—or Georgia. In other words, countries that are free countries are countries that will be good neighbors.

Belarus

Q. What can we do about Belarus, because a couple of hundred miles from where you're going to be visiting there sits the last dictator of Europe. What can we do about it?

The President. The "last dictator of Europe" is right, and we'll continue to pressure Belarus and call upon the world, the rest of the world, the free world—not the whole world but the free world—to work to give the people of Belarus a chance to live in a free society.

When I was in Slovakia I met with people of the freedom movement. I know when Condoleezza Rice, Secretary of State, was in your part of the world, she met with leaders of the freedom movement too. And we'll continue to press forward. President Putin must understand that a free Belarus is in his country's interest.

Freedom and Democracy

Q. The sentiment of anti-Americanism, as I'm sure you know, is quite widespread in Europe and in my country as well. Do you think there is any degree of your own fault in the fact that this sentiment is on the rise or——

The President. I made some hard decisions. You know, going into Iraq was a hard decision. I can understand people not liking that. But I would hope people in Europe would understand that freedom is not owned only by Europeans, that people around the world deserve to be free. And

as we act in our self-interest to fight terrorists, as we work to make sure terrorists can't get weapons of mass destruction to cause great harm, that we will also work to free people. After all, the people of Latvia, of all people, ought to understand what it means to live under the subjugation of a doctrine that doesn't allow for freedom, communism.

And here people are living in the Middle East, for example, under the brutal reign of tyrants, huge mass graves, massive death, people tortured. And now they're living free. And when 8½ million people went to vote in Iraq, it sent a clear message that said, "We will not let the terrorists intimidate us; we want to be free, just like people in the Balkans used to speak, we want to be free."

You know, our country had a great history with the Baltics, that we said, "Your Embassies will remain little havens for freedom." We never recognized the lack of independence in the Baltics. We always believed that you should be free. And I hope over time, the young people of Latvia understand that that's what we stand for in America. We stand for freedom. We don't believe freedom is America's gift. We believe there's universal desire to be free. And the world will be more peaceful.

The hard decisions I've made I am confident will make this world a more peaceful place.

Q. Thanks very much, Mr. Bush.

The President. Welcome.

Q. I hope it's a good visit.

The President. I'm confident it will be. I'm looking forward to it.

NOTE: The interview was taped at 2:06 p.m. in the Map Room at the White House for later broadcast and was released by the Office of the Press Secretary on May 6. In his remarks, the President referred to President Vaira Vike-Freiberga of Latvia; President Vladimir Putin of Russia; and President Aleksandr Lukashenko of Belarus.

Interview With NTV of Russia
May 5, 2005

World War II

Q. Good morning, Mr. President, although it's good evening for Russian audience because of the time change. [*Laughter*] Your father is a World War II hero, the youngest Navy pilot. So how important the D-day is for you, personally, and for your family?

The President. Well, thank you for asking about my dad. He is—he was a—like many in America and in Russia that were called upon to defend the world against nazism. And fortunately, he came home.

And today, the celebration in Russia will remind us all about the sacrifices of, in my case, an individual I love, but also a generation, a generation of men and women who made extraordinary efforts, in Russia's case to defend the homeland, in America's case to work with allies to defeat Adolf Hitler as well as the Japanese.

And so it's a special day for me, personally, because it reminds me of the willingness of a young kid to go fight. But it also reminds me of the duty of my generation to work together to make the world a better place.

Eastern Europe After World War II

Q. The after-war Europe has been reshaped according to the Yalta Conference of 1943, by the decision of three very important personalities of this time, Mr. Roosevelt, Mr. Churchill, and Mr. Stalin. How fair is it to hold only Russia responsible

for all the misfortunes of Eastern Europe and Baltic States over the last—[*inaudible*]?

The President. Now, that's a very fair question. Obviously, it was a decision made at the end of the war. I think that the main complaint would be that the form of government that the Baltics had to live under was not of their choosing. But no, there's no question three leaders made the decision.

Q. So not only Russia the bad guy of history?

The President. Well, I think everybody ought to bear the—as historians look back at Yalta—got to recognize that it was—you're rightly so in pointing it out—it was not only the Russian leader but the British and American leader were at the table and agreed on the agreement.

Baltic States

Q. In Russia, we're very concerned on the rise of neo-nazism in Baltic States when Russian war veterans are humiliated publicly, when monuments to Russian soldiers are vandalized, and at the same time, where, on May 8th, there is a plan to open the monument to Nazi Brigade, that is well known only for fighting—not only for fighting against Russians but also for quite ugly things that were common for SS troops.

The President. Yes. Well, look, there is—I've got a message when I go to the Baltics, and that is it's important to respect democracy but, also, the respect of democracy is respect for minority rights. In other words, a true democracy is one that says minorities are important and that the will of the majority can't trample the minority.

And as to whether or not nations are honoring nazism, I mean, of course that should be rejected. Nazism was defeated. We're celebrating the defeat of nazism. We don't want to see nazism return. It's an extremist point of view that believes that you should be able to trample the rights of minorities. It was the Nazis who annihilated millions of Jews, for example, and there's a classic example of the rights of minorities being trampled. And we must never forget the lessons of why we fought together in World War II. And so I'm looking forward to delivering that message of tolerance.

Gasoline Prices

Q. There is a question that has nothing to do with your visit to Russia but is very important to our country as an oil-producing country. Once you mentioned that you'll be happy to find a magic wand and to cut the price on oil. So what oil price will be acceptable for the United States, and what do you think is the chance of finding this magic wand?

The President. Well, I appreciate—no, there is no magic wand. A soldier asked me, he said, "Why don't you lower gasoline prices," as if the government controlled price. And in our country, the Government doesn't control price. And I told him, I said, "If I had a magic wand, I would wave it and lower your price." But I—that's not the way it works. This is a world based—the price based upon supply and demand. And demand has been going up relative to supply, which has been beneficial for oil-producing countries like Russia.

And I don't know what the right price is. Obviously, the lower the better for our economy, because every time the money—the dollars go up on the gasoline price, money leaves the pocketbooks of the working people. But that's the way the economy works. Hopefully, higher price will stimulate more production. More production will then help the price reach an equilibrium.

And the market is what it is. That's—the markets decide, not governments. I would hope that Russia would encourage a lot of investment, to open up the vast reserves she has. We need to do more exploration here. I spoke to the Crown Prince of Saudi Arabia who assured me that he is trying to put more—to find more oil. And that's what high prices do. But people who have got oil have got to understand if the price gets too high, it could wreck

economies, which will mean there's less purchasing power for the product.

Q. Thank you, Mr. President, and welcome to Moscow.

The President. Looking forward to it. Thank you, sir.

NOTE: The interview was taped at 9:58 a.m. in the Map Room at the White House for later broadcast and was released by the Office of the Press Secretary on May 6. In his remarks, the President referred to Crown Prince Abdullah of Saudi Arabia.

Interview With Rustavi 2 Television of Georgia
May 5, 2005

President's Upcoming Visit to Georgia

Q. Mr. President, let me thank you very much for this opportunity to interview you. And on behalf of Georgian people, let me welcome you to Georgia.

Why have you decided to visit Georgia? None of the American Presidents have visited this country before.

The President. You know, I got to know your President, and I can remember him urging me to come to Georgia. He's got such enthusiasm about life and about the future of Georgia. And I have been most impressed by the aftermath of the Rose Revolution, that I said, "I want to go. I want to see—I want to feel the sense of a new democracy. I want to be there to thank the Georgian people for setting such a good example for other countries that have followed." And so I'm really looking forward to the trip.

Georgian Economy/Georgia-Russia Relations

Q. Mr. President, Georgia faces a lot of problems, among them two unresolved conflicts, quite difficult economic situation, Russian military presence in the country. How do you see resolving all those problems?

The President. Peacefully. And I think they will be resolved peacefully. But you're right. It's difficult to go from a country of—a communist country to a free country. It's not easy. I think the President understands that, and his Government understands that.

On the economic front, there's a lot of work to be done, but by routing out corruption and insisting upon rule of law and transparency, that will help to attract investment and capital.

Secondly, in terms of the regional disputes or the bases, I can help some. But the best way to do this—deal with this issue is to do it peacefully between Russia and Georgia. And I think we've got a very good chance of seeing these issues resolved in a peaceful way. It just takes time sometimes to deal with old disputes.

Russia and Democracies in Eastern Europe

Q. The latest developments of the Eastern European region, I mean, the Georgia's Rose Revolution and Orange Revolution——

The President. Yes.

Q. ——in Ukraine and elections in Moldova and revolution in Kyrgyzstan, caused Russia's negative reaction. And relations between Moscow and these countries are getting worse. So how is U.S. going to support these transitional democracies in the future?

The President. No, that's a great question, and the first thing is, is that when I see President Putin, I will remind him again that democracies on his border will make it easier for Russia to grow in a peaceful way. Democracies are peaceful.

Democracies don't like war, and democracies are the best form of government to deal with animosities and concerns.

And so I will remind him that this is not a plot by anybody or any nation. This is just the inevitable course of humankind because all humans want to be free. And as Georgia's economy begins to grow and pick up, Russia will have a trading partner; Russia will realize that a prosperous democracy in her south is good for the people of Russia.

Cooperative Response to Pankisi Gorge Terrorists

Q. U.S. Department's annual report on terrorism raised some questions about the stability in Pankisi Gorge.

The President. Yes.

Q. But Georgian Government, with support of U.S., was successful in cleaning this gorge of military elements. So how will relations—I mean, military cooperation between Georgia and the United States in the future?

The President. Well, I appreciate that. No, it's going to be very close, obviously at the request of the Georgian Government. And I—the Georgian Government asked for help in routing out the terrorists who had lodged themselves in the Pankisi Gorge—training help. We were more than happy to provide it. But remember what was interesting about some of those operations: There was close cooperation with the Russians. And I thought that was very helpful and very instructive about what can happen, because it's in Russia's interest, it's in the United States interest, and more importantly, it's in Georgia's interest to make sure the Pankisi Gorge is clear of terrorist traffic or terrorist safe haven. No country wants terrorists who are willing to cause harm living within their border. And so I found this to be a very instructive and interesting cooperative arrangement.

Georgia's Possible NATO Membership

Q. Georgia is seeking NATO membership.

The President. Yes.

Q. How big is chance?

The President. It's good. But remember, this is a performance-based criterion. In other words, there's a way to get into NATO. And I will tell President Saakashvili that there's—to look at the countries that have recently been admitted and see what decisions they made and how they—what they did. And I would hope it's good. But just remember, it's a process. It just doesn't happen overnight. And that's not only what I have told your President, but I've told the President of Ukraine and other countries that are interested in joining NATO.

Q. Thanks for your precious time, Mr. President.

The President. Glad you're here. Looking forward to going to Georgia. It's going to be an exciting trip.

Q. I wish you a successful and safest trip.

The President. Thank you, sir.

NOTE: The interview was taped at 10:07 a.m. in the Map Room at the White House for later broadcast and was released by the Office of the Press Secretary on May 6. In his remarks, the President referred to President Mikheil Saakashvili of Georgia; President Vladimir Putin of Russia; and President Viktor Yushchenko of Ukraine.

Remarks on Being Presented the Order of Three Stars, First-Class in Riga, Latvia
May 7, 2005

Madam President, I gratefully accept. I am so honored and so thrilled to be here in your beautiful country.

I was telling the President that it's such a joy to come to a country that loves and values freedom and to be in the presence of a President who speaks so clearly about the need for people to be free and her recognition that a free world will yield peace.

And so, Madam President, thank you for your hospitality, and thank you so much for this great honor. Appreciate it.

NOTE: The President spoke at 9:55 a.m. in the Hall of Coats and Arms at Riga Castle. In his remarks, he referred to President Vaira Vike-Freiberga of Latvia.

Remarks Following Discussions With President Vaira Vike-Freiberga of Latvia in Riga
May 7, 2005

President Vike-Freiberga. We are, of course, very gratified at this sudden interest in Latvia that we're seeing among the journalists. [*Laughter*] And it's truly a great pleasure to see these wonderful journalists coming to my country and having a look around. And, Mr. President, I think that you have something to do with that. [*Laughter*]

President Bush. Well, thank you for having us, Madam President. It's been a trip I've really been anxious to fulfill. I admire your leadership; I admire your country's courage. I love the fact that you're a free nation and willing to speak out so clearly for freedom. So, thanks for the hospitality.

President Vike-Freiberga. And we're pleased that the cameras are now turned on Latvia while you are here. [*Laughter*]

President Bush. That's right.

Q. Mr. President——

President Bush. Thank you all. We'll have ample opportunity in an open press conference. And I certainly wouldn't want you to fire your best question here. [*Laughter*]

NOTE: The President spoke at approximately 11:10 a.m. in the Golden Hall at Riga Castle. A portion of these remarks could not be verified because the tape was incomplete.

The President's News Conference With President Vaira Vike-Freiberga of Latvia, President Arnold Ruutel of Estonia, and President Valdas Adamkus of Lithuania in Riga

May 7, 2005

President Vike-Freiberga. Ladies and gentlemen, thank you for coming to this joint press conference of the three Baltic Presidents and the President of the United States of America. We have just had a meeting together and the most fruitful discussion about our transatlantic relationships and also on the relationship between the two institutions of which Latvia, Estonia, and Lithuania have become members since the past year, the relationship between NATO and the European Union.

We are honored and pleased to have this opportunity to have a great leader from a great and powerful country come to our region and show interest in what happens here and to have this open and very frank debate with the three Baltic Presidents. With this, I pass the floor to the President of Lithuania, President Valdas Adamkus.

President Adamkus. Mr. President, ladies and gentlemen, this was an extremely good meeting and at a very good time. We are welcoming the President of the United States here; as I said, welcome back to the shores of the Baltic Sea. And it was during the discussions we really touched on vital issues: the relationship between the United States and the European continent as—in a whole. We touched on issues concerning directly the relationship between Baltic States and, of course, on the global issues.

On the part of Lithuania, I have reassured the President that we are staunch allies in a fight against terrorism. We will be standing shoulder to shoulder on general global issues concerning the humanity and especially in an event when we are celebrating the end of World War II against—the victory against nazism and, at the same time, standing for the principles which are dear to the rest of the world community, principles of democracy, protection of the human rights, principles of free expression.

And there was total agreement, and I can reassure the President of the United States that we will be standing and defending the rights of the people, even those neighbors who are still—for them, democracy is a dream. And by standing and speaking freely, and I would say, introducing some kind of a dose of oxygen into the resistance and opposition which is striving for those same rights we are enjoying, we will definitely defend and make a better world, looking into the future.

And I am grateful to the President for his presence here in the Baltic States, his inspiration and strength for all of us to continue our commitments. Thank you, Mr. President.

President Vike-Freiberga. President Ruutel.

President Ruutel. Honored colleagues, esteemed press, I'm very happy about today's meeting, and the high-level contacts between our countries have produced very essential and fruitful cooperation. The will and desire with which the United States has supported the endeavors of our people have proven to be very fruitful.

It has already been a year since we have become members of NATO and the European Union. Today's meeting once again reaffirms the deep friendship and the strong relationship between our countries.

We were talking about the means with which we can help democracy, peace, and welfare to other countries, which some countries do not enjoy even in the 21st century. We reassure you that Estonia is willing to share its experiences with these

countries that are going towards these goals.

I want to thank those soldiers from Estonia and the United States who are now fighting in Iraq, Afghanistan, and Kosovo. Estonia is very satisfied with the progress made in Ukraine and Georgia and is prepared to continue supporting their endeavors.

We also talked about our relationship with Russia in our discussions. Not only Estonia but in the interests of all countries, it is best to have as a partner a stable and democratic Russia who shares our values and is open for constructive cooperation.

Although we talk primarily of the future, we must realize that the analysis of the past is essential for future relationships between countries. We are celebrating the passing of 60 years from the end of the Second World War and the defeat of nazism. But this victory did not bring freedom and democracy to many peoples, and of course I mean the Baltic States, who lost their independence for a long period of time. And I would especially like to emphasize the United States role, who never recognized the occupation of the Baltic States.

The efforts of the United States and the Baltics allow us here in Riga today to celebrate the victory of freedom. Our people are working together in the transatlantic sphere and throughout the world. Thank you for your attention.

President Vike-Freiberga. Questions? No. First, we have President Bush, who would like to make a statement. [*Laughter*] I think maybe company from across the ocean should be given a chance to make a statement as well. [*Laughter*]

President Bush. It's kind of dangerous—as you know, I'm a little long-winded. But thank you, Madam President. Thank you for hosting Laura and me and my delegation here to Latvia. The hospitality has been tremendous, and we really thank you.

And it's such an honor to be standing here with the leaders of three close allies and friends, such incredibly important symbols of what freedom can mean to this neighborhood and to countries in the world. And so we—we're proud to be here with you all, fellow members of NATO.

One objective of my trip is to honor the memories of those who sacrificed 60 years ago in the struggle against nazism and fascism. Tomorrow I'll be in the cemetery in the Netherlands to pay tribute to a generation that was willing to sacrifice for freedom and peace. But I recognize that in the West, the end of the Second World War meant peace, but in the Baltics, it brought occupation and Communist oppression. And the American people will never forget the occupation and Communist oppression of the people of the Baltics. We recognize your painful history.

I want to congratulate our friends and allies who stand here with me on the progress you've made in the past decade. You see, one of the important examples of these three countries is that not only have they become free societies, but they've learned to adapt to the conditions of a free society. It's not easy to go from communism to democracy, and yet these three nations have shown the world how to do so, and we congratulate you on your good, hard work. Your economies are flourishing; people are allowed to express their opinions. As a result, you've been readily accepted into NATO and now the EU. And the world is better off because of the hard decisions your Governments have made.

I also want to thank you for your hard work in helping democracy spread in the neighborhood. We had a really good discussion today about Belarus. We talked about the Ukraine and Georgia and Moldova. We talked about Russia and the relationship between the Baltics and Russia. These three nations have also recognized that those of us who are free have a responsibility to help others be free outside of our neighborhoods. And I want to thank you for your contributions in Iraq and Afghanistan. To this end, I discussed my request for

the U.S. Solidarity Fund—my request to the Congress for the U.S. Solidarity Fund to help these nations who have deployed troops to be able to better afford those deployments.

We talked about bilateral relations as well. As you can imagine, one topic that came up with all three leaders was visa policy. I talked about the way forward to make sure our visa policy works well with our friends and allies. Part of the issue, of course, is that in the past—we've looked to past history to determine future visa policy, and now we've begun to change looking at the past. In other words, the overstays during occupation must be viewed differently now that the three countries have been freed. And we look forward to working with you on the way forward to reasonable and fair visa policy.

There are thousands of people in my country who have come from your countries. They send best regards. And I say to you, thank you for being such good friends and colleagues, and thank you for your hospitality again, Madam President.

Now, if you'd like to do something you may do so. [*Laughter*]

President Vike-Freiberga. Thank you for that statement, Mr. President.

We do have a limited time at our disposal, and I understand that the framework is to be one question to each President. So we'll start with a question to President Adamkus.

President Bush. Or you have four Presidents to me—questions to me, if that's what you would like.

President Vike-Freiberga. There's a question out there.

Belarus

Q. Yes—[*inaudible*]—from Lithuanian Television. Actually, I have a question to President Bush.

President Bush. Yes, I thought that might be the case. [*Laughter*]

Q. Regarding what you said recently, that democratic Belarus is also in Russia's interest, can there be a deal between Washington and Moscow whereby Russia would make sure that President Lukashenko is not reelected next year, and in return, Washington would encourage or would hail the democracy there but turn a blind eye on the continued Russia's influence there? Or are you prepared to go all the way?

President Bush. No, that's an interesting question: Can you make a deal to determine somebody else's fate? I think that's what we're lamenting here today, about what happened to the Baltics—you know, kind of one of those secret deals amongst large powers that consigns people to a way of government. No, we don't make secret deals. The only deal that I think is a necessary deal for people is the deal of freedom. They should be allowed to express themselves in free and open and fair elections in Belarus.

And that's—and as to whether or not it's in Russia's interest that democracies be on her border, absolutely it's in Russia's interest that she have friends and have neighbors who are democracies. We're used to that in America. We've got democracies on our border. And it's a blessing to have democracies on our border. We don't always agree, by the way, with our friends on our borders, but we are able to settle disputes peacefully because we are democracies.

And so I will continue to speak as clearly as I can to President Putin that it's in his country's interests that there be democracies on his borders. I mean, after all, look at the three nations here. These are peaceful, prosperous nations that are good neighbors with Russia and good neighbors with each other and good neighbors elsewhere as well.

Estonia-U.S. Relations

President Vike-Freiberga. A question from the Estonian side.

Q. [*Inaudible*]—I have a question to Mr. President Bush, but I will ask it in Estonia language.

[*At this point, the reporter continued in Estonian.*]

President Bush. All right, I need the English translation. Start over.

[*The reporter continued in Estonian, and his questions were translated by an interpreter.*]

Q. For Estonia, it's very important to have good relations with the United States, and right now the relation has been very good. Which ranking would the relations of Estonia have in American foreign policy today and also in the future? Thank you.

President Bush. Say that again. I'm getting kind of old, and I'm having trouble hearing.

Q. I would like to know what is the ranking today and in the future in American foreign policy, the relations with Estonia? What is the ranking?

President Bush. Now that the President's standing here, very important. No—[*laughter*]—look, I don't think a President can rank, but a President can praise, and I praise Estonia for being an open-market economy that is a free society. And therefore, if you're a free society that embraces market economies, you'll rank very high with me and the United States.

The example of the Baltics is so vital for countries who are emerging from tyrannies to—and oppressive governments to free societies. It's really important. And that's why the active participation of the three leaders here in helping NGOs and civil societies develop in new democracies is vital, because who has got more credibility with leaders in new democracies than the three leaders here, who have had the experience of helping a democracy emerge?

And so you rank very high, as far as I'm concerned, as participants in the freedom movement, the ability to inspire by example and lend expertise because of the experience you've had.

President Vike-Freiberga. Thank you very much. A question from the Latvian side.

Democracy in Eastern Europe

Q. My question goes to Mr. Bush, and the other leaders too if they want to answer. And I will ask it in Latvian.

[*The reporter continued in Latvian, and her question was translated by an interpreter.*]

Q. Today, during negotiations, you talked about the relationship with Russia. Did you talk about the possibility of asking Mr. Putin to recognize occupation of the Baltic States in Moscow? You have, of late, so strongly supported the attempts of the Baltic States to explain their history. Do you expect anything to come of it? Thank you.

President Bush. My position on that issue is very clear and has been clear about the occupation. And the position of my country has been clear about the occupation ever since the occupation took place. We proudly flew the flags of independent nations above your Embassies in Washington, DC, and the statement was clear: We never recognized nor accepted the occupation that did take place.

I think this moment in history will be—give everybody a chance to recognize what took place in the past and move on. And look, I fully understand there's a lot of anger and frustration involved in the three Baltic countries about the occupation. I expressed that to President Putin, but he didn't need me to tell him. He fully understands there's a lot of frustrations and anger about what took place.

My hope is that we're now able to move beyond that phase of history into a phase that is embracing democracy and free societies. These are extraordinary times that we're living in, and the three Baltic countries are capable of helping Russia and other countries in this part of the world see the benefits of what it means to live in a free society.

And so we have a great opportunity to move beyond the past. Again, I repeat to you, I recognize the painful history, and my hope is that we're able to learn the

lessons from that painful history, that tyranny is evil and people deserve to live in a free society.

As I'm going to say in my speech a little later on here, I'm going to say, "Never again should we allow Jews and Gypsies to be exterminated and the world not pay close attention to it. Never again should we let—shall we tolerate tyranny and subjugating people to incredible death. We have an obligation as free societies never to forget that history and to do something about the possibility of that arising again."

And so, I am inspired by the example of the Baltic nations. I'm inspired by your courage of the past and your determination to move forward in a free society.

Jennifer [Jennifer Loven, Associated Press].

Q. Russia has expressed some displeasure with your travel itinerary, stopping here——

President Bush. With what, now?

Q. Russia has expressed some displeasure with your travel itinerary on this trip, stopping here in Latvia and going to Georgia——

President Bush. Yes.

Q. There's also some criticism that the U.S. is behind the revolutionary change in Georgia, Ukraine, and Kyrgyzstan. What do you say to talk that the U.S. is inappropriately meddling in the neighborhood?

President Bush. Oh, no, I thank you for that. First of all, this is not my first trip to the Baltics, and hopefully, it will not be my last trip to the Baltics. We've got good friends here. And as I travel around the world, I like to touch base with our friends.

Revolution—I think you said the word "revolution"—freedom is universal. Freedom is etched in everybody's soul. And the idea of countries helping others become free, I would hope that would be viewed as not revolutionary but rational foreign policy, as decent foreign policy, as humane foreign policy.

I repeat to you that I think countries ought to feel comfortable with having democracies on their borders. After all, democracies are peaceful countries. Democracies don't fight each other, and democracies are good neighbors. You know, it's amazing how far this continent has come because of the freedom movement. Sixty years ago—it's really not all that long ago in the march of history, is it? It's pretty long if you're 30 years old, like you are, but 60 is not all that long for an old guy like President Adamkus. [*Laughter*] But now we're standing here talking about other parts of the world taking for granted that Europe is whole, free, and at peace. It shows how much life has changed as a result of people embracing an ideology that encourages peace.

And we now have the same opportunity, this generation has the same opportunity to leave behind lasting peace for the next generation by working on the spread of freedom and democracy. And the United States has got great partners in doing what I think is our duty to spread democracy and freedom, with the three nations represented here.

And so my trip here, Jennifer, is to say as clearly as I can to the people of these three great countries, "Thank you for your sacrifices. Thank you for your courage, and thank you for your willingness to elect people who are willing to spread freedom and peace around the world."

May God bless your countries, and may God continue to bless mine. Thank you very much.

NOTE: The President's news conference began at 2:40 p.m. in the Grand Hall at the Riga Latvian Society House. In his remarks, President Bush referred to President Vladimir Putin of Russia. A reporter referred to President Aleksandr Lukashenko of Belarus. President Ruutel spoke in Estonian, and his remarks were translated by an interpreter.

The President's Radio Address
May 7, 2005

Good morning. On Sunday and Monday, I will attend ceremonies in the Netherlands and Russia to commemorate the 60th anniversary of V–E Day.

These events will celebrate a great triumph of good over evil. We will never forget the acts of courage that made possible the liberation of a continent or the heroes who fought in the cause of freedom. And we honor the brave Americans and Allied troops who humbled tyrants, defended the innocent, and liberated the oppressed. By their courage and sacrifice, they showed the world that there is no power like the power of freedom and no soldier as strong as a soldier who fights for that freedom.

The defeat of Nazi Germany brought an end to the armed conflict in Europe. Unfortunately, for millions of people on that continent, tyranny remained in a different uniform. In Latvia, where I'm also visiting on this trip, free people were taken captive by another totalitarian empire. Germany was split into free and unfree halves. And countries like Poland, Czechoslovakia, and Hungary were cut off from liberty by an Iron Curtain. The people of these countries survived the cold war through great courage, and then they took history into their own hands and reclaimed their freedom.

The result is, the continent of Europe, wounded by decades of conflict and oppression, is today whole, free, and at peace for the first time in its history. The wave of democracy that swept Central and Eastern Europe in 1989 has now swept to nations like Georgia and Ukraine. And the victory for freedom represented by V–E Day has become a reality for millions of people.

On my trip, I will visit Freedom Square in Tbilisi, Georgia, to applaud the people there for the Rose Revolution that advanced democracy in their land. Georgia has survived oppression, fought for liberty, and taken its place among free nations. America is proud to call Georgia our partner in freedom, and we will help the people of that country enhance prosperity, improve security, and spread liberty at home and abroad.

The new democracies of Europe still have much work to do. Free elections are a significant achievement, yet they are only part of a fully functioning democracy. Democratic governments must be committed to providing full and equal rights for minorities, resolving conflicts peacefully, encouraging a vibrant political opposition, and ensuring the rule of law. As the nations of Central and Eastern Europe work to build up the institutions necessary for a free society, America will stand by their side.

Today, these nations are standing with us as we defend liberty abroad. Freedom has no better friends than those with a fresh memory of tyranny. That is why countries like Latvia, Lithuania, Estonia, and Georgia have been partners in our coalition in Iraq and Afghanistan. We're grateful for their contributions and especially for the example they are setting for other aspiring democracies.

America and these new democracies are bound together by history, by the universal rights we have defended together, and by our deepest convictions. All of us understand that the advance of freedom is the concentrated work of generations, from the brave Americans who fought against Nazi Germany 60 years ago to those who struggle for liberty today. And by working together, we will ensure that the promise of liberty and democracy won on V–E Day will one day reach every person and every nation in the 21st century.

Thank you for listening.

NOTE: The address was recorded at 2:55 p.m. e.d.t. on May 5 in the Cabinet Room at the White House for broadcast at 10:06 a.m. e.d.t. on May 7. The transcript was made available by the Office of the Press Secretary on May 6 but was embargoed for release until the broadcast. Due to the 7-hour time difference, the radio address was broadcast after the President's news conference and before his remarks in Riga. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks in Riga
May 7, 2005

Sveiki Draugi. Ladies and gentlemen, thank you for the warm welcome. Madam President, Laura and I thank you for your kind words of introduction. We thank you for your principled leadership. I thank you for your friendship, and we thank you for the hospitality that you and Dr. Freibergs have shown us.

I want to thank the people of the Republic of Latvia for being such gracious hosts for my visit here. And I want to also thank the Prime Minister for joining us, and members of the Government. Thank you, Mr. Prime Minister.

Laura and I are so pleased to make this second journey to the Baltic States and our first visit to the great land of Latvia. We're honored as well to be in the company of President Ruutel of Estonia and President Adamkus of Lithuania. Thank you both for coming. These are good friends to Latvia and good friends to America.

The Baltic countries have seen one of the most dramatic transformations in modern history, from captive nations to NATO Allies and EU members in little more than a decade. The Latvian, Estonian, and Lithuanian people showed that the love of liberty is stronger than the will of an empire. And today, you're standing for liberty beyond your borders, so that others do not suffer the injustices you have known. The American people admire your moral courage in the cause of freedom.

This week, nations on both sides of the Atlantic observe the 60th anniversary of Hitler's defeat. The evil that seized power in Germany brought war to all of Europe and waged war against morality itself. What began as a movement of thugs became a Government without conscience and then an empire of bottomless cruelty. The Third Reich exalted the strong over the weak, overran and humiliated peaceful countries, undertook a mad quest for racial purity, coldly planned and carried out the murder of millions, and defined evil for the ages. Brave men and women of many countries faced that evil and fought through dark and desperate years for their families and their homelands. In the end, a dictator who worshiped power was confined to four walls of a bunker, and the fall of his squalid tyranny is a day to remember and to celebrate.

Causes can be judged by the monuments they leave behind. The Nazi terror is remembered today in places like Auschwitz, Dachau, Rumbula Forest, where we still hear the cries of the innocent and pledge to God and history: Never again. The Alliance that won the war is remembered today in carefully tended cemeteries in Normandy, Margraten, St. Petersburg, and other places across Europe where we recall brief lives of great honor, and we offer this pledge: We will always be grateful.

The Baltic States had no role in starting World War II. The battle came here because of a secret pact between dictators. And when the war came, many in this region showed their courage. After a puppet

government ordered the Latvian fleet to return to port, sailors on eight freighters chose to remain at sea under the flag of free Latvia, assisting the United States Merchant Marine in carrying supplies across the Atlantic. A newspaper in the State of South Carolina described the Latvian crew this way: "They all have beards and dressed so differently . . . They are . . . exhausted, but full of fighting spirit."

By the end of the war, six of the Latvian ships had been sunk and more than half the sailors had been lost. Nearly all of the survivors settled in America and became citizens we were proud to call our own. One American town renamed a street Ciltvaira to honor a sunken ship that sailed under a free Latvian flag. My country has always been thankful for Latvia's friendship, and Latvia will always have the friendship of America.

As we mark a victory of 6 days ago—six decades ago, we are mindful of a paradox. For much of Germany, defeat led to freedom. For much of Eastern and Central Europe, victory brought the iron rule of another empire. V–E Day marked the end of fascism, but it did not end oppression. The agreement at Yalta followed in the unjust tradition of Munich and the Molotov-Ribbentrop Pact. Once again, when powerful governments negotiated, the freedom of small nations was somehow expendable. Yet this attempt to sacrifice freedom for the sake of stability left a continent divided and unstable. The captivity of millions in Central and Eastern Europe will be remembered as one of the greatest wrongs of history.

The end of World War II raised unavoidable questions for my country: Had we fought and sacrificed only to achieve the permanent division of Europe into armed camps? Or did the cause of freedom and the rights of nations require more of us?

Eventually, America and our strong allies made a decision: We would not be content with the liberation of half of Europe, and we would not forget our friends behind an Iron Curtain. We defended the freedom of Greece and Turkey and airlifted supplies to Berlin and broadcast the message of liberty by radio. We spoke up for dissenters and challenged an empire to tear down a hated wall.

Eventually, communism began to collapse under external pressure and under the weight of its own contradictions. And we set the vision of a Europe whole, free, and at peace, so dictators could no longer rise up and feed ancient grievances, and conflict would not be repeated again and again.

In these decades of struggle and purpose, the Baltic peoples kept a long vigil of suffering and hope. Though you lived in isolation, you were not alone. The United States refused to recognize your occupation by an empire. The flags of free Latvia, Estonia, and Lithuania, illegal at home, flew proudly over diplomatic missions in the United States. And when you joined hands in protest and the empire fell away, the legacy of Yalta was finally buried, once and for all. The security and freedom of the Baltic nations is now more than a noble aspiration. It is the binding pledge of the alliance we share. The defense of your freedom—in defense of your freedom, you will never stand alone.

From the vantage point of this new century, we recognize the end of the cold war as part of an even broader movement in our world. From Germany and Japan after World War II to Latin America to Asia and Central and Eastern Europe and now to the broader Middle East, the advance of freedom is the great story of our age. And in this history, there are important lessons.

We have learned that free nations grow stronger with time, because they rise on the creativity and enterprise of their people. We have learned that governments accountable to citizens are peaceful, while dictatorships stir resentments and hatred to cover their own failings. We have learned

that the skeptics and pessimists are often wrong, because men and women in every culture, when given the chance, will choose liberty. We have learned that even after a long wait in the darkness of tyranny, freedom can arrive suddenly, like the break of day. And we have learned that the demand for self-government is often driven and sustained by patriotism, by the traditions and heroes and language of a native land.

Yet we've also learned that sovereignty and majority rule are only the beginnings of freedom. The promise of democracy starts with national pride and independence and elections, but it does not end there. The promise of democracy is fulfilled by minority rights and equal justice under the rule of law and an inclusive society in which every person belongs. A country that divides into factions and dwells on old grievances cannot move forward and risks sliding back into tyranny. A country that unites all its people behind common ideals will multiply in strength and confidence. The successful democracies of the 21st century will not be defined by blood and soil. Successful democracies will be defined by a broader ideal of citizenship, based on shared principles, shared responsibilities, and respect for all.

For my own country, the process of becoming a mature, multiethnic democracy was lengthy and violent. Our journey from national independence to equal injustice [justice] * included the enslavement of millions and a 4-year civil war. Even after slavery ended, a century passed before an oppressed minority was guaranteed equal rights. Americans found that racial division almost destroyed us, and the false doctrine of "separate but equal" was no basis for a strong and unified country. The only way we found to rise above the injustices of our history was to reject segregation, to move beyond mere tolerance, and to affirm the brotherhood of everyone in our land.

Latvia is facing the challenges that come with ethnic diversity, and it's addressing these challenges in a uniformly peaceful way. Whatever the historical causes, yours is now a multiethnic society, as I have seen on my visit. No wrongs of the past should ever be allowed to divide you or to slow your remarkable progress. While keeping your Latvian identity and language, you have a responsibility to reach out to all who share the future of Latvia. A welcoming and tolerant spirit will assure the unity and strength of your country. Minorities here have a responsibility as well, to be citizens who seek the good of the country in which they live. As inclusive, peaceful societies, all of the Baltic nations can be models to every nation that follows the path of freedom and democracy.

In recent months, the Baltic Governments gave assistance during the election in Ukraine, and the people of that country chose a wise and visionary leader. As President Yushchenko works to strengthen the rule of law and open Ukraine's economy, the United States will help that nation join the institutions that bind our democracies.

Later on this trip, I'll travel to Georgia, another country that is taking a democratic path and deserves support on its journey. My country will stand by Georgian leaders who respect minority rights and work to peacefully unify their country and grow closer to the free nations in Europe.

We're also committed to democratic progress in Moldova, where leaders have pledged to expand freedom of the press, to protect minority rights, and to make Government institutions more accountable.

All of us are committed to the advance of freedom in Belarus. The people of that country live under Europe's last dictatorship, and they deserve better. The Governments of Latvia and Lithuania have worked to build support for democracy in Belarus and to deliver truthful information by radio and newspapers. Together we have set a

* White House correction.

firm and confident standard: Repression has no place on this continent. The people of Minsk deserve the same freedom you have in Tallinn and Vilnius and Riga.

All the nations that border Russia will benefit from the spread of democratic values, and so will Russia itself. Stable, prosperous democracies are good neighbors, trading in freedom and posing no threat to anyone. The United States has free and peaceful nations to the north and south of us. We do not consider ourselves to be encircled; we consider ourselves to be blessed. No good purpose is served by stirring up fears and exploiting old rivalries in this region. The interests of Russia and all nations are served by the growth of freedom that leads to prosperity and peace.

Inside Russia, leaders have made great progress over the last 15 years. President Putin recently stated that Russia's future lies within Europe, and America agrees. He also stated that Russia's democratic future will not be determined by outsiders, and America agrees as well. That nation will follow its own course according to its own history. Yet all free and successful countries have some common characteristics: Freedom of worship, freedom of the press, economic liberty, the rule of law, and the limitation of power through checks and balances. In the long run, it is the strength of Russian democracy that will determine the greatness of Russia. And I believe the Russian people value their freedom and will settle for nothing less.

For all the problems that remain, it is a miracle of history that this young century finds us speaking about the consolidation of freedom throughout Europe. And the stunning democratic gains of the last several decades are only the beginning. Freedom is not tired. The ideal of human dignity is not weary. And the next stage of the world democratic movement is already unfolding in the broader Middle East.

We seek democracy in that region for the same reasons we spent decades working for democracy in Europe, because freedom is the only reliable path to peace. If the Middle East continues to simmer in anger and resentment and hopelessness, caught in a cycle of repression and radicalism, it will produce terrorism of even greater audacity and destructive power. But if the peoples of that region gain the right of self-government and find hopes to replace their hatreds, then the security of all free nations will be strengthened.

We will not repeat the mistakes of other generations, appeasing or excusing tyranny and sacrificing freedom in the vain pursuit of stability. We have learned our lesson: No one's liberty is expendable. In the long run, our security and true stability depend on the freedom of others. And so, with confidence and resolve, we will stand for freedom across the broader Middle East.

In this great objective, we need a realism that understands the difficulties. But we must turn away from a pessimism that abandons the goal and consigns millions to endless tyranny. And we have reason for optimism. When the people of Afghanistan were finally given the vote, they chose humane rulers and a future of freedom. When the people of the Palestinian Territories went to the polls, they chose a leader committed to negotiation instead of violence. When Iraqi voters turned out by the millions, they repudiated the killers who hate and attack their liberty. There's much work ahead, but the direction of events is clear in the broader Middle East: Freedom is on the march.

Recent elections have brought a tremendous catalyst for change, and more are on the way. Elections are set to start at the end of this month in Lebanon, and those elections must go forward with no outside interference. The people of Lebanon now have the opportunity to bridge old divides and build an independent government. Egypt will hold a Presidential election this fall. That election should proceed with international monitors and with rules that allow for a real campaign.

As in other parts of the world, the work of democracy is larger than holding a fair election. It requires building the structures that sustain freedom. Selective liberalization—the easing of oppressive laws—is progress, but it is not enough. Successful democracies that effectively protect individual rights require viable political parties, an independent judiciary, a diverse media, and limits on executive power. There is no modernization without democracy. Ultimately, human rights and human development depend on human liberty.

As in other parts of the world, successful democracies in the broader Middle East must also bridge old racial and religious divides, and democracy is the only force capable of doing so. In Iraq, the new Cabinet includes members of all of Iraq's leading ethnic and religious groups who, despite their differences, share a commitment to democracy, freedom, and the rule of law. The new President of Iraq is a member of a minority group that was attacked with poison gas by the former regime. Democracy is fostering internal peace by protecting individual rights while giving every minority a role in the nation's future. Iraq's free Government is showing the way for others and is winning the respect of a watching world.

In the Middle East, we are seeing the rule of law—the rule of fear give way to the hope of change. And brave reformers in that region deserve more than our praise. The established democracies have a duty to help emerging democracies of the broader Middle East. They need our help, because freedom has deadly enemies in that region, men who celebrate murder, incite suicide, and thirst for absolute power. By aiding democratic transitions, we will isolate the forces of hatred and terror and defeat them before violence spreads.

The Baltic States are members of a global coalition, and each is making essential contributions every day. Lithuania is preparing to deploy a reconstruction team to western Afghanistan and has troops in Iraq conducting patrols and aiding in reconstruction. Estonians are serving in Afghanistan. They're detecting and removing explosives, and Estonian troops serve side by side with Americans in Baghdad. Latvia has a team in Kabul, Afghanistan, clearing mines and soldiers in Iraq providing convoy security and patrols.

Your commitment to freedom has brought sacrifice. We remember Lieutenant Olafs Baumanis, who was killed in Iraq. We ask for God's blessings for his family, and we're honored that his wife, Vita, is here with us today.

It's no surprise that Afghanistan and Iraq find strong allies in the Baltic nations. Because you've recently known tyranny, you are offended by the oppression of others. The men and women under my command are proud to serve with you. Today I'm honored to deliver the thanks of the American people.

Sixty years ago, on the 7th of May, the world reacted with joy and relief at the defeat of fascism in Europe. The next day, General Dwight D. Eisenhower announced that "history's mightiest machine of conquest has been utterly destroyed." Yet the great democracies soon found that a new mission had come to us, not merely to defeat a single dictator but to defeat the idea of dictatorship on this continent. Through the decades of that struggle, some endured the rule of tyrants; all lived in the frightening shadow of war. Yet because we lifted our sights and held firm to our principles, freedom prevailed.

Now, ladies and gentlemen, the freedom of Europe, won by courage, must be secured by effort and good will. In our time, as well, we must raise our sights. In the distance we can see another great goal, not merely the absence of tyranny on this continent but the end of tyranny in our world. Once again, we're asked to hold firm to our principles and to value the liberty of others. And once again, if we do our part, freedom will prevail.

Thank you, and God bless.

NOTE: The President spoke at 5:09 p.m. at the Small Guild Hall. In his remarks, he referred to President Vaira Vike-Freiberga of Latvia and her husband, Imants Freibergs; Prime Minister Aigars Kalvitis of Latvia; President Arnold Ruutel of Estonia; President Valdas Adamkus of Lithuania; President Viktor Yushchenko of Ukraine; President Vladimir Putin of Russia; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; and President Jalal Talabani of the Iraqi Transitional Government.

Remarks With Prime Minister Jan Peter Balkenende of the Netherlands in a Discussion With Students in Valkenburg, the Netherlands
May 8, 2005

Prime Minister Balkenende. Well, ladies and gentlemen, good morning. It's very good that you're here. But in the first place, I would like to say to the President of the United States, be welcome in the Netherlands. We really enjoy that you're here. It's an important day that you're in the Netherlands today, because on the 6th of May—that's what we call our Liberation Day—and we always think about our freedom. And at your last event, you said a lot about importance of freedom and democracy, and you realize what Americans meant for the European countries after the Second World War. During the Second World War, your people were here, but after, you helped us.

And it's very important that you're here today and that you'll have the meeting in Margraten. It's so important to be there and also for us to show our respect and to say thanks for what all the Americans have done for the Netherlands.

We already had a breakfast meeting. We talked about some very important issues. We talked about the Middle East peace process. We talked about the struggle against terrorism because we are—we have the same position. It's a threat to world society. We have to work together. We talked about the situation in Iraq and Afghanistan. We talked about China and some other issues. We talked about political situation in the Netherlands and the United States. It was a very fruitful and interesting meeting.

Mr. President, it's great that you're in the Netherlands. We appreciate very much that you're here today and that we have the meeting in Margraten. But also today we have a meeting with students, and we thank you for being here and be willing to have a discussion with these young people. It's very important. It's always challenging and encouraging if you have the meeting with the students.

And now, Mr. President, I give you the floor.

President Bush. Thank you, Mr. Prime Minister. It's an honor to be in the Netherlands. Laura and I have been really looking forward to coming to your beautiful country. I want to thank you for the meeting we just had. It was a fruitful discussion. I appreciate your leadership, appreciate your friendship.

You know, I will be honoring a generation that made enormous sacrifices so that my generation could grow up in a free world. I'm really looking forward to going to the cemetery and paying homage to those who fought for freedom. It will be a solemn occasion but an important moment to reflect upon. And I look forward to talking to the next generation about the responsibilities that you'll have to make sure the communities in which you grow up are hopeful communities and this country in—which you love is a free country.

I want to thank you all for coming. I'm honored that you took time out of your life to come and have a visit with me. There's nothing like a young generation of Americans to keep an old guy—I mean, young generation of citizens to keep an old guy like me feeling young.

But Mr. Prime Minister, again, thanks for your hospitality. I want to thank Her Majesty as well for joining Laura and me today. It's awfully, awfully kind of her to do so. Thank you.

Prime Minister Balkenende. Thank you, Mr. President. Now the time is for the students. Looking to the relationship between the United States and the Netherlands, it's good to say that many things are uniting us, but also sometimes you have some division. That's also possible, and that's also good for the debate. And maybe it's good now to give the floor to you, and maybe it's good to start with Miss Madeline Hoffmeister.

PATRIOT Act

Q. Thank you very much. Mr. President, I have a question relating of—concerning the terrorism. And you made many laws after 9/11, many laws and many measures. And I'm wondering, will there be a time when you drop those laws and when you decrease the measures?

President Bush. No, I appreciate that question. Look, a free society such as ours, obviously, must balance the Government's most important duty, which is to protect the American people from harm, with the civil liberties of our citizens. And every law we passed that was aimed to protect us in this new era of threats from abroad and the willingness for people to kill without mercy has been scrutinized and, of course, balanced by our Constitution. But the question really is, can a transparent society openly deal with a debate about civil liberty versus the tension of protecting ourselves? And I believe we have done so in good balance in America, but we're constantly reevaluating law.

The PATRIOT Act was passed. It was a very important measure to enable our law enforcement officials to share information, which they weren't able to do at times, to be able to protect ourselves. And yet Congress is now evaluating certain aspects of that law. That's what happens in democracies and stands in stark contrast, by the way, to societies that are closed and nontransparent, where people don't get to determine the course of action.

And so to answer your question, it depends upon what Congress says and whether or not I agree with it, because I have the right to veto any law as well. Of course, they have the right to override my veto. But I feel comfortable in telling you that we've been able to successfully balance the civil liberties of our citizens with the necessary—the necessity to protect ourselves.

Listen, one of the interesting things about September the 11th that I want you to understand as we have this discussion is that I fully understand that for some, September the 11th was an important moment and a terrible moment—and we appreciate the condolences of the people of the Netherlands—but for us, it was a change of attitude. I mean, it changed a lot about how I looked at the world, and a lot of Americans, it changed how they looked at the world. I mean, it was more than just an attack. It was a whole mindset. And that's why your question is really relevant—did that mindset, did that change of attitude cause us to then begin to take away certain civil liberties? And I would argue, it did not.

Prime Minister Balkenende. You're convinced by the President? [*Laughter*]

President Bush. Don't put her on the spot. [*Laughter*] That's a little rough question, Mr. Prime Minister.

U.S. Domestic and Foreign Policy

Q. Thank you. I've a question about the reason you are here. We are honoring the soldiers who died in the Second World

War. In the years later, America was involved in a lot of conflicts, in a lot of wars. What's the benefit when you can ask to your people—you are, in the first place, President of America, you're responsible for your own people——

President Bush. Right——

Q. ——what can you ask from your people, not only the dead and the wounded but also the economic consequences? Last week I received a brochure about raise funding for U.S. aid for poor people. So what——

President Bush. You received—I beg your pardon—received a brochure for?

Q. ——raise funding for poor people——

President Bush. Oh, to raise funding, yes.

Q. ——the economic consequences of all this involvement in conflicts, what's the balance between the responsibility to the world and the responsibility to your own people?

President Bush. I think we have a responsibility to both. And at home, of course, economic vitality is really important and to make sure the entrepreneurial spirit is alive and well. Seventy percent of new jobs in America are created by small-business owners, which is—it speaks to our—the environment of encouraging entrepreneurship, which means less lawsuits and good tax policy and less regulations. A vibrant, growing economy is one which we collect more revenues, and therefore, we're more capable of helping and doing our duty to those who can't help themselves.

And that's the interesting balance of a free society, by the way, is the extent to which the welfare state is prevalent. And I believe we—Government has a role to help those who cannot help themselves and then encourage people who can help themselves to realize dreams through good education and good policy.

Abroad, we have a responsibility as well. First, let me just tell you, the hardest decision a President makes is war. Nobody wants to be at war—nobody. Now the question is, how do we spread peace? And one way you spread peace is spread democracy. That's the lesson of World War II. If that thought troubles you, we can discuss this a little more. But the lesson of World War II, at least, was that by spreading democracy throughout Europe, that Europe at last became whole, peace—free, whole, and at peace. See, that's the lesson that people at least ought to take away from the experience of the last 60 years. I believe it applies to the next 60 as well.

But we have other duties as well. HIV/AIDS, for example, in the continent of Africa is a pandemic that has got to be appalling to the free world. And my Government is spending $15 billion as part of a global effort to help defeat HIV/AIDS. We feed more of the hungry than any nation, and it's an obligation we readily accept. But as well, as we work to help those who hurt, we also have got to put practical policies in place.

And that's why I'm such a believer in free trade, because trade ultimately—the benefits of trade, the benefits of economy, the benefits of growing businesses far exceed the capacity of governments to hand out aid to people. And so, in Africa, for example, we've got a policy of feeding the hungry and providing money for help, but we've also got a free trade policy with Africa, which is helping these economies grow, which provides opportunity and hope for people that are living in those countries. So we have a balanced obligation at home and abroad.

Thank you, sir.

Prime Minister Balkenende. We'll give the press one minute to do other things, and then we can go on with our discussion.

[*At this point, the public portion of the event concluded.*]

NOTE: The President spoke at approximately 9:15 a.m. in the Selys de Fanson Zaal-

Schatkaner Building at the Chateau St. Gerlach. In his remarks, he referred to Queen Beatrix of the Netherlands.

Remarks at the Netherlands American Cemetery and Memorial in Margraten, the Netherlands
May 8, 2005

Your Majesty; Mr. Prime Minister; Mr. Mayor; distinguished officials of the Netherlands; veterans and their families, including the 104th Infantry Division, known as the Timberwolves, the unit of Harold B. Welch, my father-in-law, the father of First Lady Laura Bush; Congressman Hoekstra; General Jones; General Franks; Superintendent Schwind; fellow Americans and friends: On this peaceful May morning, we commemorate a great victory for liberty, and the thousands of white marble crosses and Stars of David underscore the terrible price we paid for that victory.

For the Americans who rest here, Dutch soil provides a fitting home. It was from a Dutch port that many of our Pilgrim Fathers first sailed for America. It was a Dutch fort that gave the American flag its first gun salute. It was the Dutch who became one of the first foreign nations to recognize the independence of the new United States of America. And when American soldiers returned to this continent to fight for freedom, they were led by a President who owed his family name to this great land—Roosevelt.

Some of those brave troops are here with us today, and we welcome you, and we honor you. And they're here with their Dutch comrades. They share a love of liberty. In the war that came to an end 60 years ago this day, all those who fought for freedom made sacrifice, and many gave their lives.

In the Voice of America's radio broadcast from London on the first V–E Day, the announcer asked Europe to "think of these Americans as your dead too." In Dutch hearts, they already were. The Americans saw the Dutch spirit in action within weeks of liberation, when this new cemetery marked its first Memorial Day. It was still a time of hardship and want and deprivation, yet Dutch citizens from 60 local villages collected 20 truckloads of flowers so that every American grave here would be decorated when the sun came up on Memorial Day.

And in the six decades since, the Dutch have continued this wonderful tradition by adopting and attending to the graves of the people they never met. Your kindness has brought comfort to thousands of American families separated from their loved ones here by an ocean. And on behalf of a grateful America, I thank you for treating our men and women as your sons and daughters.

Today we join them at this hallowed ground. We come first to remember the young Americans who did not live to comb gray hair. Each man or woman buried here is more than a headstone and a serial number. Each person here has a name that is precious to some family. And in faded black and white photographs, each one here looks back at us in the full glow of youth: the fresh-faced American in uniform; the newly minted officer with a smiling sweetheart on his or her arm; or the young dad proudly holding a baby son or daughter on his knee. Every one of these Americans added his own unique contribution to the story of freedom.

In this cemetery lies Willy F. James, Jr., one of seven African American soldiers from the Second World War to win the Medal of Honor. On this memorial wall is inscribed the name Raymond Kelly, a young man studying to be a priest in Detroit who could have sat out the war but gave up his exemption to serve his country. And in this ground rests Maurice Rose, the brilliant division commander who led the first Allied troops into Germany. Here they rest in honored glory with thousands of their comrades in arms, and here we come to affirm the great debt we owe them.

We come to this ground to recall the evil these Americans fought against. For Holland, war began with the bombing of Rotterdam. The destruction of Rotterdam would be a signpost to the terror and inhumanity that the Nazi lie would impose on this continent. Like so much of Europe, over the next years of occupation, Holland would come to know curfews and oppression and armed bands with yellow stars and deportation for its Jewish citizens.

The winter just before liberation was the worst. When Dutch railway workers went on strike to make it harder for the German army to reinforce their troops, the Nazis responded with a blockade that made fuel and food even more scarce. Amsterdam would wait for liberation longer than almost any other city in Europe. Before it came, more than 20,000 Dutch men and women and children would perish in what was called the "hongerwinter," and many others were reduced to eating tulip bulbs to stay alive.

For some, V–E Day brought hope for normalcy after almost 5 long years of occupation. For many others, including a Jewish girl named Anne Frank hiding in an attic, V–E Day would come too late, 2 months after the institutionalized evil of Bergen-Belsen took her young life. And for still others, V–E Day would bring a lasting sense of solidarity with those who fought. One resistance leader put it well: "We are one because, together, we believed in something."

And so we come to this ground to remember the cause for which these soldiers fought and triumphed. At the outset of the war, there were those who believed that democracy was too soft to survive, especially against a Nazi Germany that boasted the most professional, well-equipped, and highly trained military forces in the world. Yet this military would be brought down by a coalition of armies from our democratic Allies and freedom fighters from occupied lands and underground resistance leaders. They fought side by side with American GIs who only months before had been farmers and bank clerks and factory hands. And the world's tyrants learned a lesson: There is no power like the power of freedom and no soldier as strong as a soldier who fights for that freedom.

Private Robert Lee Rutledge was one of those soldiers. He gave his life fighting against a brutal attack by two Nazi divisions. Weeks before he died, he wrote a letter to his daughter on her fifth birthday. The letter was addressed to little Ginger Rutledge in Lumpkin, Georgia. Private Rutledge told his daughter, "You're too young to understand it now, but you will later. It's all for your benefit. You came into a free world, and I want you to finish in one."

Sixty years later, Ginger is still free, and she does understand. And so do her three children and eight grandchildren. Private Rutledge did his job well, and the men who fought and bled and died here with him accomplished what they came for. The free America that Ginger grew up in was saved by their courage. The free Europe where many of them lie buried was built on their sacrifice. And the free and peaceful world that we hope to leave to our own children is inspired by their example.

On this day, we celebrate the victory they won, and we recommit ourselves to the great truth that they defended, that freedom is the birthright of all mankind.

Because of their sacrifice and the help of brave Allies, that truth prevailed at the close of the 20th century.

As the 21st century unfolds before us, Americans and Europeans are continuing to work together and are bringing freedom and hope to places where it has long been denied, in Afghanistan, in Iraq, in Lebanon, and across the broader Middle East. Freedom is a permanent hope of mankind, and when that hope is made real for all people, it will be because of the sacrifices of a new generation of men and women as selfless and dedicated to liberty as those we honor today.

May God bless you all.

NOTE: The President spoke at 11:09 a.m. In his remarks, he referred to Queen Beatrix and Prime Minister Jan Peter Balkenende of the Netherlands; Mayor H.J.G. (Harrie) van Beers of Margraten, the Netherlands; Gen. James L. Jones, USMC, NATO's Supreme Allied Commander, Europe; Gen. Frederick M. Franks, Jr., USA (Ret.), Chairman, American Battle Monuments Commission; and Frank Schwind, Superintendent, Netherlands American Cemetery and Memorial. The National Observance of the 60th Anniversary of the End of World War II proclamation of May 3 is listed in Appendix D at the end of this volume.

Statement on the Death of Lloyd Cutler
May 8, 2005

Laura and I are saddened by the passing of Lloyd Cutler. Lloyd Cutler served our Nation with dedication and distinction throughout his extraordinary career, including as Counsel and adviser to President Carter and President Clinton, and most recently on the Commission on weapons of mass destruction. He was a devoted public servant who had a profound influence on the legal profession. Laura and I extend our deepest sympathy to his family.

Remarks Prior to Discussions With President Vladimir Putin of Russia in Moscow, Russia
May 8, 2005

President Putin. Mr. President, allow me to cordially welcome you to Moscow. I'd like to thank you for having decided to visit Moscow to participate in the celebration of the 60th anniversary of the end of World War II, giving confirmation by that fact to the immense role played by the United States, Soviet Union, and Russian Federation in the victory over nazism.

Tomorrow we'll be pleased to receive our guests of ours, but the visit by the President of the United States is of special importance. On top of that, even today, we've enjoyed a very large volume of cooperation between our countries. And I hope that this cooperation will be helpful to us in addressing our domestic problems in both countries.

And I'm aware of the fact that you currently are confronted with immense tasks with respect to social sphere. [*Laughter*] So if we are very positive in addressing those energy-related and security-related

questions, that will be very helpful in addressing the problems which are confronted by people in the street in our countries. Besides, I recently visited the Middle East. Therefore, I'd like in this conversation with you today to compare the notes regarding the current state of the Middle East.

President Bush. Vladimir, thank you for having me. It's such an honor to be here. This locale where we are is a place where the President welcomed me and Laura 2 years ago, and it's great to be back here. I am looking forward to the celebration tomorrow. It is a moment where the world will recognize the great bravery and sacrifice the Russian people made in the defeat of nazism. The people of Russia suffered incredible hardship, and yet the Russian spirit never died out.

I'm equally grateful that you would take—invite me and Laura for dinner tonight. And having had one of your meals before, I'm looking forward to this one a lot.

President Putin. Recently I took a look at the coverage of your meeting with the press corps. Well, I could see how Laura attacked you sometimes, so at today's dinner we will have a chance to protect you. [*Laughter*]

President Bush. She was quite the comedienne. But I'm looking forward to—Russia is a great nation, and I'm looking forward to working on—together on big problems. And I want to thank you for your work on Iran and the Middle East, and there's a lot we can do together. And so thank you for having us.

NOTE: The President spoke at approximately 7:45 p.m. at Novo Ogarevo, the Putins's residence in Moscow.

Statement Calling for Prompt Senate Consideration of Judicial Nominees
May 9, 2005

Four years ago today, I nominated Justice Priscilla Owen and Judge Terry Boyle to serve on the Federal courts of appeals. Four years later, neither has received an up-or-down vote in the Senate. Both have been rated well-qualified by the American Bar Association, the highest ABA rating a judicial nominee can receive. Both have been waiting to fill vacancies that have been designated judicial emergencies by the Judicial Conference of the United States. Much more than enough time has passed for the Senate to consider these nominations. The Senate should give these extraordinarily qualified nominees the up-or-down votes they deserve without further delay.

It is only fair that the Senate promptly consider judicial nominees on the floor, discuss and debate their qualifications, and then vote to confirm or not to confirm them. Nominees who have the support of a majority of the Senate should be confirmed. Unfortunately, a minority of Senators is blocking the will of the Senate.

Over the course of the past 4 years, the blocking of judicial nominees in the Senate has escalated to an unprecedented level. Last Congress, 10 of my appeals court nominees were filibustered. Each of these highly qualified nominees enjoyed the bipartisan support of a majority of Senators. Each would have been confirmed if given a simple up-or-down vote. Each deserved a simple up-or-down vote by the entire Senate.

I urge the Senate to put aside the partisan practices of the past and work together to ensure that all nominees are treated fairly and that all Americans receive timely justice in our Federal courts.

The President's News Conference With President Mikheil Saakashvili of Georgia in Tbilisi, Georgia
May 10, 2005

President Saakashvili. I'll say a few words in English. I want to welcome you, Mr. President, for this historic occasion. You know, right now we have in the streets of Tbilisi, as they are telling me, more than 150,000 people assembled, and I can tell you, no event in the history of this country has ever assembled anything close to these numbers. It shows the importance of this visit.

I can tell you, and you were seeing yesterday, crowds—unfortunately, I didn't see them on the networks—I mean, there were CNN and the others—but they were there and we could see them, the crowds along the airport. And of course, it was very genuine. This is not North Korea here. You cannot tell people to go out unless—if they don't feel like it. [*Laughter*] And it was a very—I mean, for me, it was something very emotional. The posters they made were very emotional.

You know, outside this building, 18 months ago, also 100,000 Georgians came in defense of democracy with a dream of living free. And in the weeks and months after the Rose Revolution, no country stood closer to Georgia than the United States, whether it was diplomatic support, economic aid, security assistance, or—[*inaudible*]—the United States was there. For this support, the Georgian people will be eternally grateful.

So I once again want to welcome Mr. President to Georgia. The partnership between the U.S. and Georgia is about more, and we should make it very clear, the strategic interests—more than oil pipelines, more than any kind of economic or military cooperation. It's about shared values and our shared belief in freedom and in democracy.

And President Bush is a man of vision who believes in the triumph of liberty over forces of tyranny. I know he was also inspired by our journey toward democracy. President Bush is in Georgia because we agree that free people cannot rest while tyranny exists. We know that our liberty must be defended from those who seek to extinguish it. And of course, when we are together, that's much more hopeful and much more efficient.

That's why over 800 troops are in Iraq, Georgian troops side by side with the Americans and Iraqis and many others, to defeat those who live only to kill, to enslave, to frighten people. That is why Georgians are in Afghanistan and NATO-led missions, and that is why we appreciate the U.S. support for our NATO aspirations, just like the U.S. supported Ukraine on its NATO aspirations.

The United States supports the territorial integrity of Georgia, sovereignty of Georgia, within its internationally recognized borders. We appreciate this support and recognize our responsibilities. We will peacefully resolve our disputes with our long-suffering South Ossetian and Abkhaz citizens and the territories. We will widen and deepen our democratic reforms to better the lives of Georgians. And we seek friendly relations with all our neighbors. And we know we can count on the support of the United States in all these vital tasks.

Mr. President, you are a decisive and visionary leader. Georgia is humbled and honored that you have come to visit our small country, but great land. We Georgians have a belief that guests are a gift from God, and you are a most treasured guest. Mr. President, welcome.

President Bush. Thank you, Mr. President. I'm—first, I'm so grateful for your hospitality. Laura and I really enjoyed our time last night. I learned firsthand what it means to be fed by a Georgian. I'm really

full. [*Laughter*] And the food was great. I should have eaten my meal first and then danced. [*Laughter*]

The cultural dancing and singing was spectacular. It was really impressive. And I want to thank those who put on the performance last night.

I also appreciate our visit today. We had a very frank discussion. That's what I like about the President. He speaks his mind. If he's got something on his mind, he'll tell you. What I find on his mind is very refreshing; he loves democracy and loves freedom, and he loves the people of Georgia.

The Rose Revolution was a powerful moment in modern history. It not only inspired the people of Georgia; it inspired others around the world that want to live in a free society. I think people will look back at this moment in history and be—and marvel at the courage of people who have said, "I want generations to grow up in a hopeful world."

And so, Mr. President, thank you for setting such a good example, you and your people. I appreciate the reforms you have put in place here. Georgia has come a long way very quickly. The President recognizes there's a lot of work to be done to leave the foundations, institutional foundations in place so that no one will ever be able to overturn democracy—that's an independent judiciary, rule of law, a free media. He was complaining about the media, which is a good sign. [*Laughter*] It means you're free. I sometimes complain about ours but not too publicly, of course.

I'm looking forward to the meeting with members of the civil society. The President kindly set up a meeting where I will remind people that a truly democratic society is one that honors and respects minorities. This is a very diverse country. You've had a great tradition of honoring minorities in this country, and your democracy will continue to do so.

We talked about NATO. The President is very clear about his intentions to meet the obligations to join NATO. And Mr. President, we look forward to working with you to meet those obligations. NATO is a very important alliance for the United States of America. It's a place where we have our strategic conversations with our transatlantic friends, and we want to help you achieve your objective there.

I thank the President again; I want to thank the people of Georgia for contributing troops to Iraq and Afghanistan. You've got a fine group of people that are helping serve the cause of freedom. We discussed the way forward in Iraq, discussed the importance of a democracy in the greater Middle East in order to leave behind a peaceful tomorrow.

We talked about the peaceful resolution of regional issues. And I look forward to working with the President on his request, if he so chooses, to help deal with some of these issues, like stuff he says here—[*inaudible*]. But one of the things that I was most appreciative of is his full understanding of the need and the desire to settle these issues peacefully. And I'm confident, with good work and cooperation, we can solve them peacefully, or he can solve them peacefully, with our help.

This has been a visit I've really been looking forward to. I look forward to going into Freedom Square—think about that, Freedom Square—to represent my country and to give our thanks to the Georgian people for the example they've set and the pledge to the Georgian people that you've got a solid friend in America.

Thank you, Mr. President.

President Saakashvili. Thank you, Mr. President. So we'll have, like, two questions each. First, I guess, Georgian journalists, and then whoever.

Q. Shall I ask the question in Georgian?

President Bush. You can ask anybody you want. You can ask me——

Military Bases in Georgia

Q. I have a question regarding—to Mr. President, President Bush. Did you have

a conversation with Putin regarding the military bases, with old military bases from Georgia? Do you think this question and this issue—this question will be the decision of the OSCE Summit?

President Bush. This question was about the presence of military troops—Russian troops in Georgia. We discussed this at the meeting with President Putin at his house. He knew that I was coming to Georgia, of course. I said I was looking forward to talking to my friend President Saakashvili and was confident that the issue of military bases would come up. After all, we discussed this—[*inaudible*]—and I've discussed this issue with the Russians before as well. So this isn't the first time I've had this conversation with President Putin on this issue. [*Inaudible*]—an agreement in place—[*inaudible*]—said to the Russians, we want to work with the Government to fulfill—[*inaudible*]—and I think that is a commitment, an important commitment for the people of Georgia to hear, and it's a—it shows there's grounds for work to get this issue resolved.

Jennifer [Jennifer Loven, Associated Press].

Democracy in Georgia

Q. Sir, how important is it for the United States to step into issues like that troop issue to ensure democratic progress? And also, does your commitment to democracy mean that separatist regions deserve independence if they want it?

President Bush. Two points to that question. One, my commitment to democracy means that democracies can solve their problems in peaceful ways. And in terms of separatist movements within a—within Georgia, that, one, the issue can be resolved peacefully; secondly, it will be resolved in a transparent way. The President has put a way forward that encourages autonomy and self-government but does not encourage dividing up this great country. It would seem like to me to be a very reasonable proposition. But his commitment—and an important commitment—is one that this issue will be resolved peacefully.

And secondly, it's always important for the United States to stand strongly for democracy and freedom. That's what we believe in. And so standing with the President of Georgia should send a message that we embrace freedom movements and we stand with young democracies and we want to help where we can help build the institutions that outlast the moment, so that future generations of Georgians can grow up in a free society. And we've got a great partner in President Saakashvili. He is a strong believer in democracy. And I appreciate his leadership on the issue.

President Saakashvili. Well, just to add one thing, that certainly I believe that—I believe in strong self-government. I myself came to this—to my office from self-government. I know what self-government means. I know how people can feel strongly about their identities. Georgia's strength is its diversity. It's not its weakness; it's our strength.

Now, the problem with those regions are, especially with Abkhazia, that they're throughout almost whole populations. So we are talking about democratic choice. First, those people should be able to regain their property, to regain their right to be there, to regain their right to be safe, and rules for their self-government, rules for autonomy, rules for all kind of arrangement that would materialize their rights.

It's not like this, that you throw out the people and then you hold elections with 10 percent of the population to decide, and you call it democracy. It's not democracy. It's something else. And that's why it's so important to speak about peace, about peaceful settlements, about democratic choices within the framework of peace, because when guns speak, then people cannot materialize their rights. That's obvious for us. And we suffered a lot, and this region suffered enough from the conflicts, and we

don't want any more of them. And this is our very strong position.

U.S. Role in Resolution of Georgian Conflict

Q. Question to Mr. Bush. You discussed the settlement—[*inaudible*]—in Georgia, and United States will play an active role in this process. In specific, what kind of help United States can offer to Georgia for conflict resolution? Because Georgian Government has a position to settle this resolution peacefully and this conflict peacefully, do you think that the main problem is outside force—third force?

President Bush. [*Inaudible*]—disputes. And first, I'm confident that the Government of Georgia has got a good strategy to move forward to resolve the disputes. And obviously, if the President were to call and wanted me to make a phone call or two, I'd be more than happy to do so. But this is a dispute that is going to be resolved by the Georgian Government and by the folks in the separatist region.

The United States cannot impose a solution, nor would you want us to. But what we can do is we can help. We can work with international bodies and work with the U.N., for example. We can work with other groups, all aimed at helping resolve this issue peacefully. But this is an issue that will be resolved by the duly elected Government of Georgia in a peaceful way. And the President has, as just mentioned, reached out in a constructive way, suggested autonomy and self-government, but he doesn't want to—he wants the country to remain intact. And we're more than willing. Listen, we talk quite often. When he calls, if he's got some suggestions where I can—where he thinks I can help and I think it makes sense, I will be glad to do so.

Georgia-Russia Relations

Q. Did you get President Putin to see the importance of democracies on his border? And you've also complimented a recent speech he gave on democracy. But has he taken any concrete steps to satisfy your concerns?

President Bush. Well, he gave the speech, I think, 3 days ago, and it was—or maybe 4 or 5 days ago—it was a very constructive speech, I thought, where he did talk about the benefits of democracy for his people. And democracies are peaceful countries. And when you have peaceful countries on your border, it—you benefit. And Georgia is a peaceful country. Georgia is a democracy. The people here are trying to right the wrongs of the past and move forward. The President spends a lot of time talking to me about economic improvements, entrepreneurship and small businesses and vitality of the economy so people can make a living. And when you have countries focused on the needs of the people, it tends to make them peaceful neighbors.

And so, over time, any country will recognize the benefits of democracy on her border. And I'm confident Russia will recognize the benefits of having democracies on her border. And Georgia is a great example of a peaceful democracy that wants to resolve whatever lingering disputes there may be in a peaceful fashion.

And so I want to, one, again thank the President for his hospitality and for setting such a vivid example of what is possible when the people speak. And it's this democratic movement that took place here in Georgia that is going to help transform the greater Middle East. And that's important for people in Georgia and around the world to understand, that democracies in the greater Middle East will make the world a more peaceful place. A democracy in Iraq will send such a strong and vivid example to others about what is possible. And democracies are peaceful societies. And one of the things that we all long for—at least I long for; I'm confident the President does as well—is to leave behind a more peaceful world for our children and grandchildren.

So, thank you, Mr. President. Thank you all for the press conference.

President Saakashvili. Thank you.

NOTE: The President's news conference began at 10:27 a.m. at the Parliament Building. In his remarks, he referred to President Vladimir Putin of Russia. Some reporters spoke in Georgian, and their questions were translated by an interpreter. A portion of this news conference could not be verified because the tape was incomplete.

Remarks With President Mikheil Saakashvili of Georgia Prior to a Discussion With Civic Leaders in Tbilisi
May 10, 2005

President Bush. Thank you for having me. I'm anxious to hear from you. There is—one of the great things about—and one of the most important things about democracy is to honor minority rights, is to recognize the rights of minorities. In my own country, we have struggled with this issue throughout our history, and yet we're constantly reminding ourselves of the need to respect minorities.

And I want to thank you for giving me the chance to come and visit with you. You've got a great country. It's a hopeful example, and to the extent that—as you move forward, I know you will honor your country but, at the same time, the heritage of those who live in the country.

So thank you for giving me a chance to come by and visit with you. I look forward to hearing from you. I'm honored to be here. It's an exciting moment for me and my wife, Laura, to be in this—in this beautiful country. Thank you.

President Saakashvili. Well, I'll just say maybe one or two words. You know, we are—I've always been impressed and excited to see how people of all different ethnic origins, Hispanics and Russians and all the others, speaking to American system of democracy and rule of law and how all of them are proud to be Americans by also preserving their identity.

And we strongly believe that Georgia is not weak because it's diverse. On the contrary, our diversities are our strength. So this is our firm belief. You see all different people here, Mr. President. In fact, you saw yesterday comprised elements of all different ethnic groups. You went to the area where all the different ethnic groups have lived for generations and for thousands of years.

And again, thank you very much for coming. And thank you for sharing this conversation with all of us.

President Bush. Okay, thanks.

[*At this point, the public portion of the event concluded.*]

NOTE: The President spoke at 10:50 a.m. at the Parliament Building. A tape was not available for verification of the content of these remarks.

Remarks in Freedom Square in Tbilisi
May 10, 2005

Mr. President, thank you for that introduction. Citizens of a free Georgia, Laura and I were in the neighborhood; we thought we'd swing by and say *gamarjoba.*

I am proud to stand beside a President who has shown such spirit, determination, and leadership in the cause of freedom. And Laura and I are proud to stand with the courageous people of Georgia in this place that has earned a proud name, Freedom Square.

When Georgians gathered here 16 years ago, this square had a different name. Under Lenin's steely gaze, thousands of Georgians prayed and sang and demanded their independence. The Soviet army crushed that day of protest, but they could not crush the spirit of the Georgian people.

The following year, Georgians returned to this square and pulled down the statue of Lenin. And on April 9th, 1991, you declared to the world that Soviet Georgia was no more and that the independent nation of Georgia was born. On that historic day, you reclaimed your sovereignty, but the hopeful start you made was not fulfilled. So 18 months ago, Georgians returned to this square to complete the task you began in 1989. You gathered here armed with nothing but roses and the power of your convictions, and you claimed your liberty. And because you acted, Georgia is today both sovereign and free and a beacon of liberty for this region and the world.

The path of freedom you have chosen is not easy, but you will not travel it alone. Americans respect your courageous choice for liberty. And as you build a free and democratic Georgia, the American people will stand with you.

You are building a free future for your children and grandchildren, and you are helping other nations to do the same. When the Afghan people defied terrorists to vote in that nation's first free Presidential elections, Georgian soldiers were there to provide security. And last year, when terrorist violence in Iraq was escalating, Georgia showed her courage. You increased your troop commitment in Iraq fivefold. The Iraqi people are grateful, and so are your American and coalition allies.

You are making many important contributions to freedom's cause, but your most important contribution is your example. In recent months, the world has marveled at the hopeful changes taking place from Baghdad to Beirut to Bishkek. But before there was a Purple Revolution in Iraq or an Orange Revolution in Ukraine or a Cedar Revolution in Lebanon, there was the Rose Revolution in Georgia. Your courage is inspiring democratic reformers and sending a message that echoes across the world: Freedom will be the future of every nation and every people on Earth.

Building a free society is the work of generations. It took nearly 15 years of struggle before liberty and justice fully took root in this country. Many of the students and workers who gathered here on this square 18 months ago were too young to remember the protests of 1989, but they took up freedom's cause and finished the work that their parents had begun.

Now, across the Caucasus, in Central Asia, and the broader Middle East, we see the same desire for liberty burning in the hearts of young people. They are demanding their freedom, and they will have it.

As free nations, the United States and Georgia have great responsibilities, and together, we will do our duty. Free societies are peaceful societies. And by extending liberty to millions who have not known it, we will advance the cause of freedom and we will advance the cause of peace.

In this global struggle for liberty, our duties begin at home. While peaceful revolutions can bring down repressive regimes,

the real changes—the real challenge is to build up free institutions in their place. This is difficult work, and you are undertaking it with dignity and determination. You have taken tough steps to reform your economy and to crack down on corruption. You are building a democratic society where the rights of minorities are respected, where a free press flourishes, a vigorous opposition is welcome, and unity is achieved through peace. In this new Georgia, the rule of law will prevail and freedom will be the birthright of every citizen.

This was the dream of your late Prime Minister Zhvania, who once said, "It is not by mere chance that we have adopted two very important ideas as our watchwords, freedom and responsibility." Today we pay tribute to this Georgian patriot who became a great leader of the global democratic revolution. In building a free and responsible society, you honor his memory and you carry on his legacy.

As you build free institutions at home, the ties that bind our nations will grow deeper as well. We respect Georgia's desire to join the institutions of Europe. We encourage your closer cooperation with NATO. Georgia's leaders know that the peaceful resolution of conflicts is essential to your integration into the transatlantic community. At the same time, the sovereignty and territorial integrity of Georgia must be respected—the territorial [territory] * and sovereignty of Georgia must be respected by all nations.

We are living in historic times when freedom is advancing from the Black Sea to the Caspian to the Persian Gulf and beyond. As you watch free people gathering in squares like this across the world, waving their nations' flags and demanding their God-given rights, you can take pride in this fact: They have been inspired by your example, and they take hope in your success.

As you build freedom in this country, you must know that the seeds of liberty you are planting in Georgian soil are flowering across the globe. I have come here to thank you for your courage. The American people value your friendship and admire your determination. On behalf of all Americans, thank you; God bless you; *Sakartvelos gaumarjos.*

NOTE: The President spoke at 1:27 p.m. In his remarks, he referred to President Mikheil Saakashvili of Georgia.

Statement on Congressional Passage of Emergency Supplemental Appropriations for Defense, the Global War on Terror, and Tsunami Relief Legislation

May 10, 2005

I applaud the Congress for its strong bipartisan support for our troops and our continued effort to win the war on terror. New democracies are taking root in Iraq and Afghanistan, and America is proud to stand with them. This legislation will help America continue to promote freedom and democracy. It also will assist in the continuing tsunami recovery efforts. I appreciate the leadership in the House and Senate for working together to reach a final agreement that focuses taxpayer dollars on providing our troops and diplomats with the tools they need. I look forward to signing the bill into law.

* White House correction.

NOTE: The statement referred to H.R. 1268.

Remarks Prior to a Meeting With Congressional Leaders
May 11, 2005

I thank the Members of the Congress for coming down to give me and the Secretary of State a chance to talk about our recent trip to Europe. It was a great trip, and it's such an honor to represent the United States.

Sitting in Red Square honoring the veterans of World War II was an amazing event. I remember as a kid watching the missiles parade through Red Square, and here I sat as the President of the United States in Red Square, paying homage to people who died to defeat nazism. And I was sitting beside a friend. Russia is not an enemy. Russia is our friend. And it's important that we work together to achieve peace. Obviously, we have a difference of opinion on certain issues, but we don't have a difference of opinion on working together for peace.

I went to the Baltics, had a great trip to Latvia. It's such an inspiring experience to be in countries that are newly minted democracies that love freedom. And I met with civil society advocates. I look forward to briefing you on the situation that this young democracy faces in making sure that all people are participating in the democracy.

Went to the Netherlands. Her Majesty kindly came and visited—paid a visit with us. I laid a wreath with Her Majesty honoring the U.S. soldiers who died at the end of World War II. Interestingly enough, some of my father-in-law's unit were there, and it was neat for Laura to be able to hug them and to remember her dad as she paid tribute to the veterans.

Then I went to Georgia. It was—standing in front of 150,000 people that love freedom was a fantastic experience.

The lessons of World War II is to honor the sacrifice of those who helped us keep the peace and to remember that the United States is always the beacon of freedom and that when we find people living under tyranny, we've got to work to free them in order to make the world more peaceful.

And so I want to thank you all for coming. I look forward to briefing you in specific on some of the conversations I had, and I'm looking forward to your comments as well.

NOTE: The President spoke at 3:05 p.m. in the Cabinet Room at the White House. In his remarks, he referred to President Vladimir Putin of Russia; and Queen Beatrix of the Netherlands.

Statement on Signing the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005
May 11, 2005

Today, I have signed into law H.R. 1268, the "Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005" (the "Act"). The Act provides funds for ongoing military and intelligence operations in Iraq

and Afghanistan and selected other international activities, including tsunami relief and reconstruction. The Act supports new benefits for service members who have suffered traumatic injury and for survivors of fallen service members. The Act also provides additional border enforcement resources, which will strengthen the Nation's ability to prevent foreign terrorists from operating in the United States.

The executive branch shall construe subsection 1025(d) of the Act, which purports to determine the command relationships among certain elements of the U.S. Navy forces, as advisory, as any other construction would conflict with the President's constitutional authority as Commander in Chief.

Provisions of the Act, such as sections 2104 and 6024, purport to require congressional committee approval prior to certain obligations or expenditures of funds appropriated by the Act. The executive branch shall construe such provisions to require only prior notification to congressional committees, as any other construction would be contrary to the constitutional principles set forth by the Supreme Court of the United States in 1983 in *INS* v. *Chadha.*

Section 6025 purports to regulate the content of the President's annual budget submission, which is a proposal for enactment of legislation to appropriate funds. In addition, section 301 calls for submission of legislative recommendations by an executive branch official to the Congress. The executive branch shall construe these and any other similar provisions in a manner consistent with the Constitution's commitment to the President of exclusive authority to supervise the unitary executive branch and to recommend for the consideration of the Congress such measures as the President shall judge necessary and expedient.

Several provisions of the Act, including sections 6041, 6042, 6043, 6052, 6053, 6069, 6070, 6071, and 6072 make specified changes in statements of managers of the House-Senate conference committees that accompanied various bills reported from conference that ultimately became laws. As with other committee materials, statements of managers accompanying a conference report do not have the force of law. Accordingly, although changes to these statements are directed by the terms of the Act, the statements themselves are not legally binding.

GEORGE W. BUSH

The White House,
May 11, 2005.

NOTE: H.R. 1268, approved May 11, was assigned Public Law No. 109–13.

Remarks Following a Meeting With Central American Leaders
May 12, 2005

Good morning. Thank you for coming. Welcome to the White House, and welcome to the Rose Garden.

I want to thank the six Presidents who have joined me today. We've just had a constructive dialog in the Cabinet Room about our mutual interests. Our mutual interests are prosperity for our people and peace in the region. I am honored to be here with six really fine leaders, people who have stood strong for democracy and who care deeply about the people of their nations.

We're here today, as well, because the best way to achieve peace and prosperity for our hemisphere is by strengthening democracy and continuing the economic transformation of Central America and the

Dominican Republic. All of us agree that the Central American and Dominican Republic Free Trade Agreement presents us with an historic opportunity to advance our common goals in an important part of our neighborhood.

CAFTA brings benefits to all sides. For the newly emerging democracies of Central America, CAFTA would bring new investment that means good jobs and higher labor standards for their workers. Central American consumers would have better access to more U.S. goods at better prices. And by passing this agreement, we would signal that the world's leading trading nation was committed to closer partnership with countries in our own backyard, countries which share our values.

For American farmers, businesses, and workers, CAFTA would create a more level playing field. Under existing rules, most of Central America's exports already enter the United States duty free. But our products still face hefty tariffs there. By passing CAFTA, we would open up a market of 44 million consumers who already import more of our goods and services than Australia or Brazil. And we would create incentives for factories to stay in Central America and use American materials rather than relocate to Asia, where they are more likely to use Asian materials.

Finally, for the Western Hemisphere, CAFTA would bring the stability and security that can only come from freedom. Today, a part of the world that was once characterized by oppression and military dictatorship now sees its future in free elections and free trade, and we must not take these gains for granted. These are small nations, but they're making big and brave commitments, and America needs to continue to support them as they walk down the road of openness and accountability. By transforming our hemisphere into a powerful free trade area, we will promote democratic governance, human rights, and economic liberty for everyone.

The United States was built on freedom, and the more of it we have in our own backyard, the freer and safer and more prosperous all of the Americas will be. I applaud these leaders for their vision. I thank them for working with Members of Congress from both political parties to persuade those Members about the importance of this piece of legislation. I assured them I will join in the efforts to get this bill passed. This bill is good for Central American countries; it is good for America.

I want to thank you all for being here. *Que Dios los bendiga.*

NOTE: The President spoke at 11:39 a.m. in the Rose Garden at the White House. Participating in the meeting with the President were: President Abel Pacheco of Costa Rica; President Leonel Fernandez Reyna of the Dominican Republic; President Elias Antonio Saca Gonzalez of El Salvador; President Oscar Berger of Guatemala; President Ricardo Maduro of Honduras; and President Enrique Bolanos of Nicaragua. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks to the National Association of Realtors
May 13, 2005

Thank you all. Thanks for the warm welcome. Sorry Laura is not here with me. [*Laughter*] As you know, we just got back from an overseas trip, and even President Putin had heard about Laura's new job as the comedienne in chief. [*Laughter*] I'm really proud of her. She's a great First Lady. And she said, "Don't go over there

and start looking for a house yet; you've got 3½ more years." [*Laughter*] But I really want to thank you all for inviting me. I'm looking forward to sharing some thoughts with you.

Before I do so, I want to thank my Secretary of the Department of Housing and Urban Development, Alphonso Jackson, my fellow Texan.

I want to thank Al Mansell, the president of the National Association of Realtors, and the board of directors and all the members.

We have got an important agenda here in Washington. It's an agenda to keep this country prosperous and safe and free. The war on terror continues. I have an obligation as your President to remind people about the realities of the world we live in. There are still people out there who would like to inflict harm on our people. We will be unrelenting in searching the—unrelenting in trying to find those who would harm our people and bring them to justice. And we will be unrelenting in our desire to spread freedom, because America understands that free societies are peaceful societies.

It's such an honor to represent the United States of America around the world, and it was such an honor to represent our country last week in Europe. We must not forget the lessons of Europe. When we see tyranny, we must resist and free people from tyranny. And we must remember the lessons of Europe, and that is, democracies are able to live peacefully side by side; a part of the world that—where there was war after war, where thousands of American soldiers had died, not only in World War I and World War II, is now whole, free, and peaceful because of the spread of democracy. And it's that spread of democracy in the greater Middle East that will yield a more peaceful world for our children and our grandchildren.

We're also putting policies in place to make this country more free and to enhance opportunity here at home. And our realtors play a crucial role in creating opportunity in America. After all, you help people attain an important part of the American experience and the American Dream, and that is owning a home. I believe the proper role of Government is to encourage ownership, is to promote an ownership society. An ownership—when you own a home, it brings stability to a neighborhood or security to a family. I love it when somebody—a first-time homeowner opens up the door to their house and says, "Welcome to my piece of property. Welcome to my home."

And we're making progress. In this country, homeownership set a new record last year: 69 percent of American families own a home. Think about that. There are 74 million homeowners in America today, and that's the most ever in our Nation's history. I want to thank you for working hard to help people realize that dream.

In 2002, I was working with Alphonso, and we set a goal of increasing the number of minority homeowners by 5½ million by the year 2010. Minority homeownership in America is at an alltime high. We just set a new quarterly record this year of 51.6 percent of minorities own their own home; 2.3 million minorities own a home. We're halfway toward our goal of over 5 million by 2010. Housing starts—we're at the highest level in over 25 years, reaching nearly 2 million homes. That's the best annual performance since 1978.

There's more work to be done. A year and a half ago, I signed the American Dream Downpayment Act. My 2006 budget requests $200 million for that initiative. And it's an important initiative. You see, that money will help thousands of families with their downpayment and closing costs, which will help more people realize the great joy of owning their own home.

To boost housing sales even more, Congress needs to pass my single-family homeownership tax credit. We estimate this credit would increase the supply of affordable single-family homes by as many as 50,000 each year. The idea is to increase

the supply of affordable homes by 7 million over the next 10 years.

In other words, there is a proper role for Government, to provide incentives for entrepreneurs and small businesses to expand. One thing we've got to make certain is to understand that the mortgage interest deduction enables more Americans to be able to own their own home. It is an important part of our Tax Code.

We not only want more people owning their own home; we want more people owning their own business. The entrepreneurial spirit in America is strong, and we need Government to put policies in place to keep it that way.

Here are some ideas to help small businesses flourish and for the entrepreneurial spirit to be strong. We need to make it less costly for small businesses to provide health care for their employees. We continue to expand health savings accounts. We must allow small businesses to pool risk across jurisdictional boundaries so they can buy insurance at the same discounts big companies are able to do. And to make sure health care is available and affordable to people from all walks of life, Congress needs to pass medical liability reform.

My administration will continue to press for legal reform here in Washington. Junk lawsuits make it awfully hard for small businesses to expand. I have submitted a nononsense budget to the United States Congress, and part of that budget is to keep taxes low on our entrepreneurs.

To make sure this economy continues to grow and the entrepreneurial spirit is strong, our country needs to have access to affordable, reliable, and a secure supply of energy. Millions of small businesses and families are hurting because of higher gasoline prices. When gasoline prices go up, it's like taxing people—taxing our families. It's taxing small businesses. I understand, if you're trying to meet a payroll or trying to meet a family budget, small changes at the pump can have a big impact on your life. And that's why we have got to address the root causes that are driving up the price of gasoline.

I told a soldier in Fort Hood when I was visiting with him the other day, I said, "How's it going in the military?" He said, "Fine, but how come you don't do something about gas prices?" [*Laughter*] And I said, "If I could, I would. If I could just say, 'Lower the price,' I'd say that." That's not the way it works. We need to address the root causes that are causing gasoline prices to go up. The root cause is that we're consuming energy faster than we're producing it, which means we're becoming more dependent on oil from overseas.

To reduce that dependence, we've got to take four key steps. First, we must be better conservers of energy. And we can use technology in a wise way to encourage conservation. Secondly, we must find innovative and environmentally sensitive ways to make the most of our existing energy resources, including oil and natural gas and coal as well as safe, clean nuclear power. Third, we must develop promising new sources of energy such as hydrogen and ethanol and biodiesel. And fourth, we must help growing energy consumers overseas like China and India. We must help them apply new technologies so they can use energy more efficiently and reduce the global demand for oil.

I applaud the House of Representatives for passing a good energy bill that meets the four criterion I outlined. And it is now time for the United States Senate to act. Congress needs to get a bill to my desk before the August recess.

I want to spend some time today talking about another challenge which faces this country, and that is the challenge of Social Security. I have traveled the country a lot to talk to the people about Social Security. And one thing is for certain: The American people now understand that Social Security is headed for serious financial trouble. And they expect the folks here in Washington, DC, to do something about it. They expect

us to put aside partisan differences and focus on the good of the country.

Franklin Roosevelt did a smart thing when he created Social Security. The system has meant a lot to a lot of people. Social Security has brought peace of mind to millions of Americans in their retirement. It's made a huge difference in people's lives. It is very important for our seniors to understand that when I talk about strengthening the Social Security system, nothing will change for you. If you're on Social Security today, you're going to get your check. The system is solvent enough to take care of anybody who was born prior to 1950.

Now, I understand how this works in politics. I mean, you start talking about Social Security, and the first thing that happens, there's all kinds of fliers and propaganda that go out that try to frighten today's seniors. I'm going to continue to remind these people about the truth, and the truth is twofold. If you're getting a check, if you've retired, nothing changes for you. But if you're a younger American, our Government has made promises to you that it cannot keep.

Social Security worked fine, but the problem is the math has changed. And the reason the math has changed is because people like me are getting ready to retire. [*Laughter*] And there's a lot of us. We are called the baby boomers. Do you realize today there are about 40 million retirees receiving benefits, 40 million folks counting on the Social Security check. By the time the baby boomers fully retire, there will be 72 million people receiving a check. So you're beginning to get to see how the math is changing. More people will be getting checks.

There's a second difference: We're living longer. People my age are going to live longer than the previous generation. The previous generation lived longer than the previous generation. That's what happens with good technology and medicine and wise choices. I strongly urge you to exercise on a regular basis. [*Laughter*]

And thirdly, Congress promised greater benefits to my generation than the previous generation. In other words, people were running for Congress, and they'd say, "Vote for me. I'll make sure the baby boomers get better benefits." So you've got people living longer—a lot of people living longer—getting better benefits, and there's fewer people paying into the system. That's the other half of the equation.

In 1950, there were 16 workers paying for every beneficiary. In other words, people were able to share the load, the responsibility of taking care of a retiree. Today, there are 3.3 workers paying for every beneficiary; soon there will be two workers paying for every beneficiary. And so here's the problem: You've got fewer workers paying for more retirees who are living longer and have been promised greater benefits.

And so I tell people that this math has created a significant problem for the solvency of Social Security. In other words, Social Security really is on the path to bankruptcy—because of the math, because of what's taking place in the demographics in America. When baby boomers start to retire 3 years from now, the Social Security will start heading into the red. See, we take your money, and we spend it. [*Laughter*] That means there will be more people—the benefits—the Social Security benefits will be greater than your payroll taxes, starting in 3 years. In 2017, the system will pay out more in benefits than it collects in payroll taxes. In other words, there will be more going out than coming in. I think I probably said that for the first 3 years; it's not—it starts going in the red. It goes into the red in 2017, and every year thereafter the situation gets worse.

Let me just give you an example: In 2027, there will be $200 billion in that year alone going out to pay people who are living longer, like me, greater benefits, than are coming in through payroll taxes. So it's 200 billion. And it gets worse and worse

and worse, until the system is broke in 2041. That's a problem.

Now, some in Washington say, "Well, it's not 2017; isn't that pretty far down the road?" It's not very far down the road. If you're—if you got a 6-year-old kid, that means your kid is going to be driving when the system starts going into the red. If you're a young worker paying into the system, paying your payroll taxes, and all of a sudden you see the facts, and the system starts going into the red, that's not a problem down the road.

The Social Security trust—trustees have made it clear that every year we wait to fix the problem costs the country at least $600 billion to save the system. In other words, there's a—it's time to get something done. If we wait, if we take the politically easy path, it's conceivable that young workers will have to pay an 18-percent payroll tax in order to pay for my generation, or the Government is going to have to slash benefits by about 30 percent or other Government programs. We're in a bind. And now is the time to come together and fix the problem.

The job of the President—my job is to confront problems, not to pass them on to future Presidents and future generations. So we have a duty, I think; we have a duty to solve this problem once and for all.

I say "once and for all"; in 1983, you might remember when President Reagan and Tip O'Neill got together, and they put together what they said was a 75-year fix. First of all, I love the spirit of people coming together to fix the problem. They set the right example. The problem was the 75-year fix didn't last 75 years. Here we are, 22 years later, talking about the problem again.

And so we need to fix this permanently. We need to do our duty. And as we do so, we need to provide extra help to those most in need and make it—make the system a better deal for younger workers.

Congress needs to be guided by three goals as they begin work on this legislation. First, future generations should receive benefits equal to or greater than the benefits today's seniors get. That's a reasonable goal.

Second, a reformed system should protect those who depend on Social Security the most. More than one in five Americans rely on Social Security for nearly all their retirement income. Think about that. So I proposed a Social Security system in the future where benefits for workers with the lowest incomes will grow faster than the benefits for people who are better off. Economists call this idea progressive indexing. It means that in the future, all workers will get Social Security checks bigger than the ones they receive today, but that the benefits will rise at a rate we can better afford.

This idea was suggested by a fellow named Robert Pozen, an investment expert and a Democrat who served on the Commission to Strengthen Social Security. Here's how it works: Today, all workers' benefits grow at the rate that reflects growth in wages. Under his plan, benefits for the poorest 30 percent of workers would continue to be tied to wages. For the highest earning one percent of Americans, benefits would be linked to inflation, which grows at a slower rate than wages. For all those in between, benefits would grow at a rate higher than inflation. By changing the system this way, this country will make this commitment, and I think it's an important commitment to make: If you work hard and pay into Social Security your entire life, you will not retire into poverty.

I met two of our citizens today. January Igot—she's 26 years old. She works in Washington, DC. She earned $33,000 last year. When she retires, her annual benefit under the reform plan I just outlined would be $21,700 in today's dollars. That is $3,800 more in real terms than a similar retiree receives today. I'm just trying to give you

a sense of what this would mean to the average citizen.

Rick Brandt is with us, a 38-year-old guy. He's a realtor from Newport News, Virginia. He's got four daughters, and he's married. [*Laughter*] He's earned about $75,000 over the past 2 years. Under the reformed system, his annual benefit when he reaches retirement age would be $24,300 in today's dollars, 3,300 more in real terms than beneficiaries receive today.

A reformed system will introduce greater fairness into Social Security. And as importantly, for those who are paying into the system in the future, it puts Social Security on the road to solvency. As a matter of fact, by reducing the growth in benefits for the wealthiest Americans, we would permanently solve most of the funding challenges facing Social Security today. In other words, the reform I just outlined would provide most of the reform necessary to say that we've permanently solved Social Security.

Now, there are other ways to solve the rest of it, and I look forward to working with Congress to do so. But one thing we will not do is raise the payroll tax rate.

I have an obligation as we go through the discussion of Social Security not to talk—only talk about the problem but to talk about commonsense ways to solve the problem. You just heard a commonsense way to put this system on a more solvent footing, forever. We have a duty to younger workers to do that. If you're getting your check, you don't have a thing to worry about. Nothing will change for people who are receiving their Social Security check today. As a matter of fact, those of us born in 1950, the system will be exactly the way it is. But younger workers need to listen to this debate, because if Congress will not do anything, the situation gets worse every year, and you'll be paying into a system that will be bankrupt in 2041. Those are the facts.

Now, as we fix the system permanently, I think we should give our workers—younger workers the opportunity to have a better deal in Social Security as well. See, Social Security is a pay-as-you-go system. I alluded to it earlier: You pay; we go ahead and spend. [*Laughter*] You're paying your payroll taxes. Some people in this country believe as you pay your payroll taxes, the Government holds it, and then when you retire, we give it back to you. [*Laughter*] No, the Government takes your payroll taxes; we pay out to current retirees; and with any money left over, we fund the rest of Government. And that which—and then what ends up happening is, there is a filing cabinet in West Virginia that's got an IOU in it. [*Laughter*] I know firsthand. I saw the filing cabinet with the IOUs. [*Laughter*] That's the solvency of the system. The solvency of the system is paper.

See, I think we ought to replace the empty promises of Government with real assets. In other words, give younger workers the opportunity, if they so choose, to put a portion of their payroll taxes in a voluntary personal savings account. They should be allowed—notice I said, "voluntary." In other words, we're giving younger workers the option. Government is not going to say, "You must do this." Government is going to say, "You can do this if you so choose." In other words, we're trusting you to make the right decision. After all, it's your money.

You should be allowed, if you so choose, to invest in a conservative mix of bonds and stocks, which would give you the benefits of the power of compound interest. In other words, if you hold your money and keep reinvesting it over a period of time, it grows and grows and grows. That's what compound interest means. The accounts would give you an opportunity to earn a better rate of return on your money than the current Social Security system does.

Today, for example, Social Security provides an annual rate of less than 2 percent for younger workers in the workforce. That's not a very good deal. You're paying into a system which will be broke in 2041,

and not only that, you don't earn very much on your money. A mixed portfolio of conservative investments could be expected to pay you 4.6 percent, minimum. In other words, you put money aside in a conservative mix of bonds and stocks, you should be able to get 4.6 quite easily. Many of you who are managing your own money know that over time, you get a lot better than that.

And here's what a personal account earning 4.6 percent would mean for a 20-year-old mom earning $8 an hour over her career—in other words, the kind of person that we want to make sure doesn't retire into poverty. If she so chooses to invest $600 of her payroll taxes in a voluntary account each year, by the time she retired, she could expect to have a nest egg worth about $100,000 in today's dollars. In other words, that $600 contribution would grow over time, in a conservative mix of bonds and stocks.

Take this as an example, just to give you a sense of how interest will cause your assets to grow: Say one of your children becomes a nurse, and she marries a policeman. And both enter the workforce in 2011, and they work their entire careers. And they contribute a third of their payroll taxes, and they put it in a conservative mix that yields a 4.6 percent investment. By the time they reach 65, they would have accounts worth $669,000 that they could call their own. That's 669,000 in today's dollars, not the dollars when they're 65 years old.

In other words, money grows. It doesn't grow very much at 2 percent; it grows a heck of a lot better at 4.6 percent or better. And I think Government ought to give people the chance, the option, of taking some of their own money and watching it grow at a better rate than the Government can get for them in the Social Security system.

The money off of your own asset base, the money off your voluntary personal savings account, would be used to supplement the Social Security check you got. In other words, Government can afford to pay something—I just laid out a plan that will cause most of the problem to be permanently solved, and there's some other things we can do to solve it forever. And so you'll get a check. And so the personal account, the personal savings account will give you money to supplement your Social Security check, if that's what you choose to do. That's just an important concept. In other words, if there is—it's a combination of that which the Government can afford to pay you as well as what you earn, what you—as you watch your assets grow.

The other thing that's important about this account—you see, when I said we're going to replace IOUs in a file cabinet with real assets, that means this is your money, see. This is your account. Government can't take it away. Government can't spend it on something else.

Voluntary accounts would help with some of the unfairness in today's system. And the system is unfair for some folks. If your spouse dies before you're 62 years old, the Social Security system gives you a burial benefit. In other words, you—two families working—two people working in the family all their life, spouse dies prior to 62, what you get as your benefit is they bury your spouse for you. That's it. When you reach retirement age, the system says you can take your check or your spouse's check, which is ever higher, but not both.

Now, think about that system. Been working all your life, you pay in. You die early, and the money you put in just goes away. That's not a fair system. We got people working all their lives at hard work, contributing by payroll taxes into a Social Security system. The good Lord takes one of the members of the family away, and all the money you put in, into the system, does not accrue to the benefit of your loved one. You get the benefit—you get the higher of the spouse's benefits or your benefits, which is ever higher, but not both. That's the way the system works.

If you're able to put aside some of your own money in an account you call your own and if you die early, you can leave that asset base to your spouse or your kids to help them along.

I fully understand some citizens are not comfortable with the idea of managing their money in a voluntary personal savings account. That's natural. That concept makes some people nervous. That's why the accounts are voluntary. If you don't like the idea, you can stay in the current system, the system that will be reformed. You don't have to worry about it.

The other thing is there will be plenty of options. For example, you can invest all in T-bills, Treasury bonds. But there will be other options that will be easy to understand. As a matter of fact, an amazing thing has happened since I was 20 years old, and that is the advent of 401(k)s came along. And for those of you who were born about my time, if you look back, I don't remember sitting around talking about 401(k)s when I was 20, or IRAs—all different kinds of options to encourage people to manage their own money. But that's changed in our society today. There are a lot of people looking after their own assets now. People are used to investing. Thousands of young Americans are becoming accustomed to watching their own assets grow through 401(k)s and IRAs.

As a matter of fact, this idea has caught on so much that Government is now adopting—giving people the ability to take some of their own money and putting it aside in a personal savings account as a part of the retirement system. I mean, the Federal Government developed what's called the Thrift Savings Plan. Here we are, debating Social Security; some people are saying, "We can't have—give people the right to manage some of their own money," yet guess what's happening in Washington. They've decided that they're going to set aside some of their own money and get a better rate of return on their money because it grows over time.

It seemed like a pretty good deal to those who write the laws, and so therefore, in the Federal Thrift Savings Plan, if you're a Member of the United States Congress and you so choose, you can set aside some of your own money and put it in a personal savings account. My message to the United States Congress is, if that idea is good enough for you, it is good enough for workers all across America.

We have an obligation to confront problems head on here in Washington. Our children's retirement security is too important for politics as usual. If you're getting a check, you having nothing to worry about. If you're retired, the system is just fine for you. But if you're a grandma or granddad, you better be talking to the Members of the United States Congress about what they intend to do to fix the system for your grandchildren.

We have a shared responsibility here in Washington to work together. We've got a great opportunity to permanently reform Social Security so that seniors will be kept out of poverty when they retire. We've got a chance to spread ownership. I talked about homeownership earlier; I talked about owning your own business. Another way to encourage ownership in America is to let more people manage their own money when it comes time for their retirement.

I don't think investments ought to be confined just to the investment class. I understand the more that people own something, the more they watch their assets grow, the better off America is. I want people from all walks of life working hard and developing assets and savings that they can pass on to their children, if that's what they choose to do. The more ownership we have in America, the better off America is.

It is time we take on this debate with courage and honesty, and I believe we'll succeed. And I ask you to contact the Members of the House of Representatives and Senate—Members of the Senate from your States and encourage them to work

in good faith to solve this problem. And when we do, Republicans and Democrats will be able to stand together and take credit for doing what is right for our children and our grandchildren.

Thanks for letting me come by today, and may God bless you all.

NOTE: The President spoke at 10:14 a.m. at the Marriott Wardman Park Hotel. In his remarks, he referred to President Vladimir Putin of Russia.

Remarks Honoring Spring and Fall NCAA Championship Teams
May 13, 2005

The President. Please be seated. Thank you. Welcome to the White House, the people's house. We're glad you're here. Today we honor four outstanding NCAA championship teams. The—it's a great—I love this day in the White House. It's a chance to honor people who have worked hard, made right decisions with their lives, and served something greater than themselves, their team. So, really glad you're here. I hope you're excited—as excited about being here as I am as excited about receiving you.

I first want to say thanks to Congresswoman Anna Eshoo for coming. I think—I suspect you're here to support the mighty Stanford women's volleyball team.

Ed Royce from California is here. He's a Cal State grad—Cal State, Fullerton, grad. And you like baseball?

Audience member. [*Inaudible*]

The President. Yes. All right, good. I'm glad Marie is with you. Welcome, Marie.

I want to thank Mike Sodrel for coming. Mike, it's good to see you, sir, and your wife, Keta. Mike is from Indiana. He's here because of the men's soccer team, right, Michael?

Audience member. Yes, sir.

The President. Good. Glad you all are here.

Milton Gordon is the president of Cal State, Fullerton—and his wife, Dr. Margaret Faulwell Gordon. I'm glad you all are here.

Mike Freitag, the head coach, is with us from mighty Indiana University, his wife, Renee, and his daughter Hanna. Welcome.

I appreciate Randy Waldrum, who's the head coach of the University of Notre Dame women's soccer team. Randy, it's good to see you, sir. I know your son is here as well.

I appreciate George Horton, who is the baseball coach at Cal State, Fullerton.

I want to thank John Dunning, who's the head coach of the women's volleyball team at Stanford. I welcome his wife, Julie, and his daughter Lauren.

But most of all, I want to thank the players who are here. Good going, and congratulations.

The first team we honor is the Indiana men's soccer team. They are the champs for the second year in a row. I kind of like that idea, back-to-back trips to the White House. [*Laughter*] Glad you all are back. And the championship game was pretty darn exciting, wasn't it? The game was tied after regulations, 20 minutes of overtime. It came down to penalty kicks. Congratulations.

Coach, I want to congratulate you as well. Pretty good job for a rookie. [*Laughter*] One of the interesting things the coach made the decision on—the back-to-back championship, he said, "If we win, the team can go ahead and shave his head." That's something we don't want to get

started here in the White House. [*Laughter*]

Interestingly enough, the team made an incredibly generous gesture. They purchased a water buffalo in Laura and my honor and gave it to a family overseas so that the family could better make a living. And I want to thank you for that great act of generosity. Thank you all. It really does mean a lot.

I want to welcome the Notre Dame women's soccer team. I think it helps a lot you've got coaches from Texas. [*Laughter*] What do you think? Yes. Anyway, what a great victory the women's team had as well. You beat UCLA on penalty kicks. I loved your slogan, like, GOAT, "Greatest of All Time," in reference to your team. I appreciate you setting high standards and working hard. And congratulations on a job well done.

And the mighty Titans from Cal State, Fullerton, had a motto of their own. The motto was, "Think How Good It's Gonna Feel." I didn't feel so good for the Longhorns. [*Laughter*] But I do want to congratulate you. I love baseball. I was telling the players that's my favorite sport of all. It's a hard game to play, and it's definitely a team game, and it's really hard to win the national championship in all sports. And this is a team that was, like, under .500 in your first 30 games or so, and then you went 32 out of 38 for the final—in the final stretch of the season.

I really appreciate what Coach Horton said. He said about the championship victory, "I still have chills. It's not from the cold water that was dropped on my head." [*Laughter*] You don't have much hair to protect your head anyway, but—[*laughter*]—that was kind of a cheap shot, wasn't it? [*Laughter*] The guy is a pretty good coach, though. Good luck.

I also want to welcome the Stanford women's volleyball team. I was telling the women from Stanford that I was just with Condoleezza Rice, former provost of Stanford University. I said, "Come by and welcome the home girls. Come by and tell them, good going for the second visit in 4 years to the White House." She said she had to meet with a leader from another nation. So she sends her best to you.

I want to welcome you all back here. I appreciate the fact that you won 15 games in a row and you weren't supposed to win the championship. You know, sometimes they count you out of a race—[*laughter*]—a little too soon, right? [*Laughter*] But we're glad you're back.

And I want to thank all the teams. I particularly want to thank all the teams not only for being such good role models as you play your games but also off the fields of play. And it's really important that you recognize that as champs, there's some person watching you and some person trying to learn from you and some person that if you—whose life you can affect more than you know.

And so, when I'm told that the Indiana men's soccer team volunteer for youth soccer programs and go to schools encouraging people to make good choices in life, it heartens my soul. And I want to thank you all for doing that. You just don't know what it means to be a champion and have an eighth-grade kid or a seventh-grade kid hear from a star, "Make a good choice. Love a neighbor like you'd like to be loved yourself."

And the Notre Dame women's soccer players volunteer at an after-school program. That's great. You know, it can't be a greater gift than to teach a child to read or to encourage a child to read. It's a lasting legacy. Frankly, it's more important than a sports trophy. And I want to thank you for doing that.

I appreciate the Stanford women's volleyball players who read to children at local elementary schools and then help young girls learn the great value of being on a team sport through a volleyball clinic. Keep doing it, not only as college students but after you get out. It's one great way to serve our Nation.

And I appreciate the fact that the Cal State, Fullerton, players took time out of the World Series last year to go to the hospital and say something to somebody who hurts.

What I'm telling you is, you can be a champ on the field and you can be a champ off the field. You'll have a full life when you're able to say to yourself, "I've really helped somebody in need."

Congratulations for setting such a great example. Welcome to the White House. Maybe you'll be back next year. I'll be here to greet you if you come back. God bless.

NOTE: The President spoke at 2:02 p.m. in the East Room at the White House. In his remarks, he referred to Marie Royce, wife of Representative Edward R. Royce; and professional soccer player Ben Waldrum, son of University of Notre Dame women's soccer head coach Randy Waldrum.

The President's Radio Address
May 14, 2005

Good morning. I'm pleased to report that we see new signs that the progrowth policies we have pursued during the past 4 years are having a positive effect on our economy. We added 274,000 new jobs in April, and we have added nearly 3½ million jobs over the past 2 years. Unemployment is down to 5.2 percent, below the average rate of the 1970s, 1980s, and 1990s. We have seen steady job gains during each of the past 23 months, and today, more Americans are working than at any time in our history.

There are other good reasons for optimism. The economy grew at a solid rate of 3.6 percent over the past four quarters, and economists expect strong growth for the rest of 2005. Manufacturing activity is enjoying its longest period of growth in 16 years. Inflation and mortgage rates remain low, and we have more homeowners in America than ever before.

These positive signs are a tribute to the effort and enterprise of America's workers and entrepreneurs, but we have more to do. So next week, I will focus on three priorities that will strengthen the long-term economic security of our Nation.

On Monday, I will travel to West Point, Virginia, to highlight the benefits of biodiesel, an alternative fuel that will help our country achieve greater energy independence. We'll also discuss our need for a comprehensive national energy strategy that reduces our dependence on foreign oil. This strategy will encourage more efficient technologies, make the most of our existing resources, help global energy consumers like China and India reduce their own use of hydrocarbons, encourage conservation, and develop promising new sources of energy such as hydrogen, ethanol, and biodiesel.

I applaud the House for passing an energy bill that is largely consistent with these goals. Now the Senate must act. Congress needs to get a good energy bill to my desk by the August recess so I can sign it into law.

On Tuesday, I will welcome our newest United States Trade Representative, former Congressman Rob Portman. Ambassador Portman understands that expanding trade is vital for American workers and consumers. He will make sure we vigorously enforce the trade laws on the books while also working to continue opening foreign markets to American crops and products. The Central America Free Trade Agreement would help us achieve these goals.

This agreement would help the new democracies in our hemisphere deliver better jobs and higher labor standards to their workers, and it would create a more level playing field for American goods and services. Congress needs to pass this important legislation.

Finally, on Thursday, I will travel to Milwaukee, Wisconsin, to discuss with young people the importance of acting now to strengthen Social Security. The Social Security safety net has a hole in it for younger workers. For the sake of our children and grandchildren, we need to make Social Security permanently solvent. And we need to make the system a better deal for younger workers by allowing them to put some of their payroll taxes, if they so choose, into a voluntary personal retirement account. Because this money will be saved and invested, workers will have the opportunity to earn a higher rate of return on their money than anything the current Social Security system can now give them.

The American economy is the envy of the world. For the sake of our Nation's hard-working families, we must work together to achieve long-term economic security so that we can continue to spread prosperity and hope throughout America and the world.

Thank you for listening.

NOTE: The address was recorded at 7:50 a.m. on May 13 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on May 14. The transcript was made available by the Office of the Press Secretary on May 13 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks at the National Peace Officers Memorial Service
May 15, 2005

Thank you all. Thank you for the warm welcome. It is an honor and a privilege to join you to pay our respects to our Nation's fallen law enforcement officers. Every year at the National Law Enforcement Officers Memorial, we add names of those who have been lost in the line of duty. All of these men and women served the cause of justice. Our Nation stands in admiration and gratitude for their service, and we ask God's blessings for their families and friends they have left behind.

I want to thank Chuck Canterbury for his leadership of the National Fraternal Order of Police. He is a good friend, and I value his friendship. I want to thank Aliza Clark for her leadership as well, and Jim Pasco, who is the executive director of the National FOP. I want to thank Chaplain Ford for his beautiful blessings.

I want to thank members of my Cabinet who are here: Attorney General Al Gonzales; Secretary Elaine Chao; Secretary Mike Chertoff. I thank the FBI Director, Bob Mueller, and the Director of ATF, Carl Truscott, for joining us.

I appreciate the Members of Congress who are here. I want to thank Majority Leader Bill Frist, Senator Pat Leahy. Congressman Dave Reichert from Washington is here with us. He served as a law enforcement officer for over 30 years and received the 2004 National Sheriff's Association Sheriff of the Year Award. Congressman, I appreciate you coming, along with other Members of the Congress.

I especially want to thank Darryl Worley for his beautiful performance of "I Miss My Friend."

There are more than 800,000 men and women who serve as law enforcement in

this country. When these brave Americans take the oath to serve and protect their fellow citizens, they answer a vital calling and accept a profound responsibility. Since America's early days, the badge has represented a pledge to protect the innocent, and Americans honor all who wear that badge.

The tradition of sacrifice and service runs strong amongst law enforcement. The fallen officers we honor this afternoon honored that tradition of service and sacrifice, and the flag of the United States of America flies at half-staff today in memory of their courage.

I thank all the family members who are with us today. Our Nation is grateful to you. We pray that you find strength to bear the loss. And you can know that our Nation will always remember and honor the ones you loved.

I also thank all the law enforcement officers who have come here today to pay tribute to fallen comrades. The bonds between officers are strong, and you look out for each other on sunny mornings and in the shadows of danger. Your loyalty to one another and your service to America do great honor to our system of justice. Thank you for your service.

We're a nation built on the rule of law, and the men and women who enforce those laws uphold America's role as a beacon for fairness and peace. And today we honor 415 new names added to the memorial wall.

Among them are Detroit police officers Matthew Bowens and Jennifer Fettig. The officers were making a routine traffic stop when the suspect opened fire. Though Officer Bowens had already been shot several times, himself, his first concern was for his injured partner. Both officers gave their lives in protecting each other and their fellow citizens, and this Nation of ours will always honor them.

Danger to law enforcement can come from the outskirts of a community, as it did to Bradford County, Pennsylvania, Deputy Chris Burgert. He and his partner, Deputy Mike VanKuren, were shot last March while trying to serve a bench warrant on a known criminal. Chris had been leading a drug investigation that often brought him face to face with danger on rural backroads. And his bravery had brought a string of successes against a dangerous and volatile set of criminals. His acts took unusual courage, and our Nation will be always grateful for his sacrifice.

Danger can come even in what one thinks is routine investigation. Last May, Arizona police officer Don Schultz was diving for evidence in a murder case when he lost his life. Officer Schultz had been on the force for 19 years and was one of the department's master divers. He died in an act of devotion to duty that was common to him and will always remain extraordinary to us. These are just the examples of the brave we honor today.

Every generation of Americans has produced men and women willing to stand watch for the rest of us. Every generation has lived under the protection of law enforcement. We must never take for granted the police officers of America.

For each friend or family member here today, the engraving on the wall will always glow brightly around one name. We cannot soothe your grief or repay your loved one's sacrifice, but their names are inscribed permanently on this memorial. We acknowledge the lasting debt we owe them and offer the solemn thanks of a grateful nation.

May God bless you all, and may God continue to bless the United States of America.

NOTE: The President spoke at 1:14 p.m. on the West Grounds at the U.S. Capitol. In his remarks, he referred to Chuck Canterbury, national president, James O. Pasco, Jr., executive director, and Kenneth W. Ford, national chaplain, National Fraternal Order of Police; Aliza Clark, president, National Fraternal Order of Police Auxiliary; and entertainer Darryl Worley. The Peace Officers

Memorial Day and Police Week proclamation of May 13 is listed in Appendix D at the end of this volume.

Remarks at the Virginia BioDiesel Refinery in West Point, Virginia
May 16, 2005

Thank you all. Please be seated. Thanks for coming. Thanks for the warm welcome, and thank you for giving me a chance to get out of Washington. [*Laughter*] I'm proud to be the first sitting President to visit this part of Virginia. They tell me George Washington came—[*laughter*]—before he was President. I thought it was time for another George W. to stop by.

I appreciate the folks here at Virginia BioDiesel for showing me around. You know, I love the innovative spirit of our entrepreneurs in this country. And the folks here have got incredible vision, and they're willing to take risk to innovate. What I think is interesting is they have combined farming and modern science. And by doing so, you're using one of the world's oldest industries to power some of the world's newest technologies. After all, they're taking soybeans and converting it to fuel and putting it into brandnew Caterpillar engines.

Biodiesel is one of our Nation's most promising alternative fuel sources. And by developing biodiesel, you're making this country less dependent on foreign sources of oil. As my friend George Allen said, that's the reason I have come. I want to talk about the need for this country to have a comprehensive energy strategy. I appreciate George's leadership, and I appreciate his friendship. You've got a fine United States Senator in Senator George Allen.

And today I took a helicopter down from the White House with our Secretary of Agriculture, Mike Johanns. Mike, thank you for coming. Mike is from the State of Nebraska. For those of you involved with agriculture, he knows something about it, you'll be happy to hear. He was raised on a dairy farm. He's a good man, and I really appreciate he and his lovely wife. He was the Governor of Nebraska when I called him. And he quit, and he came to Washington. And I want to thank you for serving our country, Michael. Thank you very much.

I want to thank the members of the congressional delegation who have joined us, Congressman Bobby Scott, Congresswoman Jo Ann Davis, Congressman Eric Cantor, Congressman Randy Forbes, Congresswoman Thelma Drake—she brought her husband, Ted, with her. Thank you all for serving. I enjoy working with you all.

I want to thank a member of the statehouse who is here; State Senator Walter Stosch is with us today. Walter, thank you for coming.

The mayor is here from the city of West Point, Andy Conklin. I want to thank you, Mr. Mayor, for joining us. I like to tell mayors—they never ask for my advice; I give it anyway when I see them—and that is: Fill the potholes. [*Laughter*]

I want to thank the administrator, John Budesky, for joining us. I want to thank all the State and local officials. I want to thank you all for coming as well. It's such a beautiful day to be outside, isn't it?

I want to thank Douglas Faulkner, who is the managing member of the Virginia BioDiesel Refinery. Thank you, Douglas, for—there he is right there. Douglas has brought a lot of his family here. He brought his father, Norman, and brother, Norman, the Norman boys. [*Laughter*]

Thank Allen Schaeffer as well. And I want to thank the folks who lent the equipment for this event.

One of the things that is really important for Government is to make sure that the environment is such that the entrepreneurial spirit remains strong. Ever since I've been elected, I tell people that the role of Government is not to try to create wealth but an environment in which people are willing to take risks. That's the role of Government.

And across our Nation, small businesses like Virginia BioDiesel are taking risks and are developing innovative products. As a matter of fact, small businesses create most of the new jobs in America. I don't know if you know that or not, but 70 percent of new jobs in this country are created by small businesses and entrepreneurs. And I'm pleased to report that the small-business sector of America is strong today. As a matter of fact, over the last 2 years we have added 3.5 million new jobs. More Americans are working today than ever in our Nation's history.

The national unemployment rate is down to 5.2 percent. That's below the average rate of the 1970s, 1980s, and 1990s. And the unemployment rate in the great Commonwealth of Virginia is 3.3 percent. And over the next years, we've got to continue to build on this progress. To make sure our families are strong and businesses are strong and our farmers can stay in business, we have got to keep taxes low, and we will. As a matter of fact, for the sake of our family farmers and for the sake of our entrepreneurs, we'll make sure the death tax stays on the path to extinction. We'll continue to cut needless regulations, and I'm going to continue to work with Congress to stop the spread of junk lawsuits.

We're going to be wise with your money. We've got a simple motto in my office when it comes to spending your money. One, we understand it's your money and not the Government's money. And secondly, we're going to work to ensure that every taxpayer dollar is spent wisely or not at all. We'll continue to open up foreign markets to America's crops and products and ensure a level playing field for American farmers and producers and workers.

And to guarantee Americans have a secure and dignified retirement—if you're getting your check, you don't have anything to worry about on this issue. You need to worry about your children and your grandchildren when it comes to Social Security. To make sure we have a retirement system that works for a future generation of Americans, Congress must work with me to strengthen and save Social Security for a generation to come.

And to keep creating jobs and to keep this economy growing, it is important for our country to understand we need an affordable, reliable supply of energy. And that starts with pursuing policies to make prices reasonable at the pump. Today's gasoline prices and diesel prices are making it harder for our families to meet their budgets. These prices are making it more expensive for farmers to produce their crop, more difficult for businesses to create jobs.

Americans are concerned about high prices at the pump, and they're really concerned as they start making their travel plans, and I understand that. I wish I could just wave a magic wand and lower the price at the pump; I'd do that. That's not how it works. You see, the high prices we face today have been decades in the making. Four years ago, I laid out a comprehensive energy strategy to address our energy challenges. Yet Congress hasn't passed energy legislation. For the sake of the American consumers, it is time to confront our problems now and not pass them on to future Congresses and future generations.

The increase in the price of crude oil is largely responsible for the higher gas prices and diesel prices that you're paying at the pump. For many years, most of the crude oil refined into gasoline in America

came from home, came from domestic oilfields. In 1985, 75 percent of the crude oil used in U.S. refineries came from American sources; only about 25 percent came from abroad. Over the past few decades, we've seen a dramatic change in our energy equation. American gasoline consumption has increased by about a third, while our crude production has dropped and oil imports have risen dramatically.

The result today—the result is that today only 35 percent—only 35 percent—of the crude oil used in U.S. refineries comes from here at home; 65 percent comes from foreign countries like Saudi Arabia and Mexico and Canada and Venezuela. You see, we're growing more dependent on foreign oil. Because we haven't had an energy strategy, we're becoming more dependent on countries outside our borders to provide us with the energy needed to refine gasoline. To compound the problem, countries with rapidly growing economies, like India and China, are competing for more of the world oil supply. And that drives up the price of oil, and that makes prices at the pump even higher for American families and businesses and farmers.

Our dependence on foreign oil is like a foreign tax on the American Dream, and that tax is growing every year. My administration is doing all we can to help ease the problem in the short run. We're encouraging oil-producing countries to maximize their production so that more crude oil is on the market, which will help take the pressure off price. We'll make sure that consumers here at home are treated fairly; there's not going to be any price gouging here in America. But to solve the problem in the long run, we must address the root causes of high gasoline prices. We need to take four steps toward one vital goal, and that is to make America less dependent on foreign sources of oil.

We must be better conservers. We must produce and refine more crude oil here in America. We must help countries like India and China to reduce their demand for crude oil. And we've got to develop new fuels like biodiesel and ethanol as alternatives to diesel and gasoline.

Americans have been waiting long enough for a strategy. It is time to deliver an effective, commonsense energy strategy for the 21st century. And that's what I want to talk to you about today.

The first step toward making America less dependent on foreign oil is to improve fuel conservation and efficiency. My administration is leading research into new technologies that reduce gas consumption while maintaining performance, such as lightweight auto parts and more efficient batteries.

We're raising fuel economy standards for sport utility vehicles and vans and pickup trucks, starting with model year 2005. When these reasonable increases in mileage standards take full effect, they will save American drivers about 340,000 barrels of gasoline a day. That's more gas than you consume every day in the entire State of Virginia.

To improve fuel efficiency, we're also taking advantage of more efficient engine technologies. Hybrid vehicles are powered by a combination of internal combustion engine and an electric motor. Hybrid cars and trucks can travel twice as far on a gallon of fuel as gasoline-only vehicles, and they produce lower emissions. To help more consumers conserve gas and protect the environment, my budget next year proposes that every American who purchases a hybrid vehicle receive a tax credit of up to $4,000.

Diesel engine technology has also progressed dramatically in the past few decades. Many Americans remember the diesel cars of the 1970s. They made a lot of noise, and they spewed a lot of black smoke. Advances in technology and new rules issued by my administration have allowed us to leave those days of diesel behind. Our clean diesel rules will reduce air pollution from

diesel engines by about 90 percent and reduce the sulfur content of diesel fuel by more than 95 percent.

Today I saw a diesel-powered truck that can get up to 30 percent better fuel economy than gasoline-powered vehicles without the harmful emissions of past diesels. I mean, the fellow got in the truck and cranked it up, and another man got on the ladder and he put the white handkerchief by the emissions port, and the white handkerchief remained white. In other words, technology is changing the world. Our engines are becoming cleaner.

Consumers around the world are taking advantage of clean diesel technology. About half of newly registered passenger cars in Western Europe are now equipped with diesel engines. Yet in America, fewer than 1 percent of the cars on the road use diesel. According to the Department of Energy, if diesel vehicles made up 20 percent of our fleet in 15 years, we would save 350,000 barrels of oil a day. That's about a quarter of what we import every day from Venezuela.

To help more Americans benefit from a new generation of diesel technology, I have proposed making owners of clean diesel vehicles eligible for the same tax credit as owners of hybrid vehicles. America leads the world in technology. We need to use that technology to lead the world in fuel efficiency.

The second step toward making America less dependent on foreign oil is to produce and refine more crude oil here at home in environmentally sensitive ways. By far the most promising site for oil in America is the Arctic National Wildlife Refuge in Alaska. I want you all to hear the facts about what we're talking about. Technology now makes it possible to reach the oil reserves in ANWR by drilling on just 2,000 acres of the 19 million acres. Technology has advanced to the point where you can take a small portion—2,000 acres—of this vast track of land and explore for oil in an environmentally sensitive way.

As a matter of fact, developing this tiny area could yield up to about a million barrels of oil a day. And thanks to technology, we can reach that oil with almost no impact on land or wildlife. To make this country less dependent on foreign oil, Congress needs to authorize pro-growth, pro-jobs, pro-environment exploration of ANWR.

As we produce more of our own oil, we need to improve our ability to refine it into gasoline. There has not been a single new refinery built in America since 1976. Here in Virginia, you have only one oil refinery, the Yorktown refinery. And that was built in the 1950s. To meet our growing demand for gasoline, America now imports more than a million barrels of fully refined gasoline every day. That means about one of every nine gallons of gas you get in your pump is refined in a foreign country. To help secure our gasoline supply and lower prices at the pump, we need to encourage existing refineries like Yorktown to expand their capacity. So the Environmental Protection Agency is simplifying rules and regulations for refinery expansion. And they will do so and maintain strict environmental safeguards at the same time.

We also need to build new refineries. So I've directed Federal agencies to work with States to encourage the construction of new refineries on closed military facilities and to simplify the permitting process for these new refineries. By promoting reasonable regulations, we can refine more gasoline for more American consumers. And that means we're less dependent on foreign sources of energy.

The third step toward making America less dependent on foreign oil is to ensure that other nations use technology to reduce their own demand for crude oil. It's in our interest—it's in our economic interest and our national interest to help countries like India and China become more efficient users of oil, because that would help take the pressure off global oil supply, take the pressure off prices here at home. At the G–8 meeting in July, I'm going to ask other

world leaders to join America in helping developing countries find practical ways to use clean energy technology, to be more efficient about how they use energy. You see, when the global demand for oil is lower, Americans will be better off at the gas pump.

The final step toward making America less dependent on foreign oil is to develop new alternatives to gasoline and diesel. Here at Virginia BioDiesel, you are using Virginia soybean oil to produce a clean-burning fuel. Other biodiesel refiners are making fuel from waste products like recycled cooking grease. Biodiesel can be used in any vehicle that runs on regular diesel and delivers critical environmental and economic benefits.

Biodiesel burns more completely and produces less air pollution than gasoline or regular diesel. Biodiesel also reduces engine wear and produces almost no sulfur emissions, which makes it a good choice for cities and States working to meet strict air quality standards. And every time we use home-grown biodiesel, we support American farmers, not foreign oil producers.

More Americans are realizing the benefits of biodiesel every year. In 1999, biodiesel producers sold about 500,000 gallons of fuel for the year. Last year, biodiesel sales totaled 30 million gallons. That's a 60-fold increase in 5 years. More than 500 operators of major vehicle fleets now use biodiesel, including the Department of Defense and the National Park Service and James Madison University. The County of Arlington, Virginia, has converted its fleet of school buses to biodiesel, and Harrisonburg is using biodiesel in its city transit buses.

In the past 3 years, more than 300 public fueling stations have started offering biodiesel. You're beginning to see a new industry evolve. And as more Americans choose biodiesel over petroleum fuel, they can be proud in knowing they're helping to make this country less dependent on foreign oil.

Another important alternative fuel is ethanol. Ethanol comes from corn, and it can be mixed with gasoline to produce a clean, efficient fuel. In low concentrations, ethanol can be used in any vehicle. And with minor modifications, vehicles can run on fuel blend that includes 85 percent ethanol and only 15 percent gasoline.

Like biodiesel, ethanol helps communities to meet clean air standards, farmers to find new markets for their products, and America to replace foreign crude oil with a renewable source grown right here in the Nation's heartland. Together, ethanol and biodiesel present a tremendous opportunity to diversify our supply of fuel for cars and buses and trucks and heavy-duty vehicles.

A recent study by Oak Ridge National Laboratory projected that biofuels, such as ethanol and biodiesel, could provide about a fifth of America's transportation fuel within 25 years. And that would be good for our kids and our grandkids. So there are some things we can do to bring that prospect closer to reality. We have extended Federal tax credits for ethanol through 2007, and last year I signed into law a 50-cent-per-gallon tax credit for producers of biodiesel.

There's ways Government can help. Congress needs to get me a bill that continues to help diversify away from crude oil. My administration supports a flexible, cost-effective renewable fuel standard. Its proposal would require fuel producers to include a certain percentage of ethanol and biodiesel in their fuel. And to expand the potential of ethanol and biodiesel even more, I proposed $84 million in my 2006 budget for ongoing research. I think it makes sense. I think it's a good use of taxpayers' money to continue to stay on the leading edge of change. And in this case, by staying on the leading edge of change we become less dependent on foreign sources of oil.

My administration is also supporting another of America's most promising alternative fuels, hydrogen. When hydrogen is used in a fuel cell, it can power a car that requires no gas and emits pure water instead of exhaust fumes. We've already dedicated $1.2 billion to hydrogen fuel cell research. I've asked Congress for an additional 500 million over 5 years to get hydrogen cars into the dealership lot. With a bold investment now, we can replace a hydrocarbon economy with a hydrogen economy and make possible for today's children to take their driver's test in a completely pollution-free car.

As we make America less dependent on foreign oil, we're pursuing a comprehensive strategy to address other energy challenges facing our Nation. Along with high gas prices, many families and small businesses are confronting rising electricity bills. Summer air-conditioning costs are going to make it even more expensive for our homes and office buildings. To help consumers save on their power bills, we'll continue expanding efforts to conserve electricity. We're funding research into energy-efficient technologies for our homes, such as highly efficient windows and appliances.

To ensure the electricity is delivered efficiently, Congress must make reliability standards for electric utilities mandatory, not optional. We've got modern interstate grids for our phone lines and highways. It is time to put practical law in place so we can have modern electricity grids as well. All this modernization of our electricity grid is contained in the electricity title in the energy bill I submitted to the United States Congress.

To power our growing economy, we also need to generate more electricity. Electricity comes from three principal sources, coal and natural gas and nuclear power. To ensure that electricity is affordable and reliable, America must improve our use of all three. Coal is our Nation's most abundant energy resource, and it provides about half of your electricity here in Virginia. As a matter of fact, we got coal reserves that will last us for 250 more years. But coal presents an environmental challenge. We know that. So I've asked Congress to provide more than $2 billion over 10 years for a Coal Research Initiative, a program that will promote new technologies to remove virtually all pollutants from coal-fired powerplants.

My Clear Skies Initiative will also result in tens of billions of dollars in clean coal investments by private companies. It will help communities across the State meet stricter air quality standards. To help Virginia clean your air and keep your coal, Congress needs to get the Clear Skies bill to my desk this year.

Improving our electricity supply also means making better use of natural gas. It's an important power source for our farmers and manufacturers and homeowners. We need to increase environmentally responsible production of natural gas from Federal lands. To further increase our natural gas supply, Congress needs to make clear Federal authority to choose sites for new receiving terminals for liquified natural gas. In other words, we're getting a lot of natural gas from overseas that gets liquified, and we've got to be able to deliquefy it so we can get it into your homes. And we need more terminals, and Congress needs to give us the authority to site those terminals in order to get you more natural gas.

I don't know if you realize this, but here in Virginia, you get about a third of your electricity from nuclear energy. Yet America has not ordered a nuclear powerplant since the 1970s. France, by contrast, has built 58 plants in the same period. And today, France gets more than 78 percent of its electricity from nuclear power. In order to make sure you get electricity at reasonable prices and in order to make sure our air remains clean, it is time for us to start building some nuclear powerplants in America.

Technology has made it so I can say to you, I am confident we can build safe nuclear powerplants for you. Last month I directed the Department of Energy to work with Congress to reduce uncertainty in the nuclear powerplant licensing process. We're also working to provide other incentives to encourage new plant construction, such as Federal insurance to protect the builders of the first four new plants against lawsuits and bureaucratic obstacles and other delays beyond their control. A secure energy future for this country must include safe and clean nuclear power.

Many of the initiatives I've discussed today—and I recognize this is a comprehensive plan, but that's what we need in America; we need a comprehensive plan—and many of these initiatives are contained in the energy bill before the Congress. I want to thank the House for passing the energy bill last month. And now it's time for the United States Senate to act. You don't have to worry about George Allen. He'll take the lead.

For the past 4 years, Americans have seen the cost of delaying a national energy policy. You've seen firsthand what it means when the Nation's Capital gets locked down with too much politics and not enough action on behalf of the American people. You've seen it through rising power bills; you've seen it through blackouts and high prices at the pump. Four years of debate is enough. It is time for the House and the Senate to come together and to get a good energy bill to my desk by August, and I'll sign it into law.

I've set big goals for our Nation's energy policy, and I am confident our Nation can meet those goals. Americans have a long history of overcoming problems through determination and through technology. Not long ago, the prospect of running a car on fuel made from soybean oil seemed pretty unlikely. I imagine 30 years ago, a politician saying, "Vote for me, and I'll see to it that your car can run on soybean oil," wouldn't get very far. [*Laughter*] Here we are, standing in front of a refinery that makes it.

We've got a lot of innovators in America, just like the folks here at Virginia BioDiesel. No doubt in my mind the innovative spirit of this country is going to make certain that our children and grandchildren will grow up in a more secure America, an America less dependent on foreign sources of oil. And the first place to start is for the United States Congress to pass that bill, based upon a comprehensive strategy that's going to work on behalf of this country.

I want to thank you for giving me a chance to come and share my thoughts with you. God bless you all.

NOTE: The President spoke at 11:25 a.m. In his remarks, he referred to Stephanie Johanns, wife of Secretary of Agriculture Mike Johanns; Walter A. Stosch, majority leader, Virginia State Senate; Mayor Andrew J. Conklin of West Point, VA; John Budesky, administrator, New Kent County, VA; Douglas E. Faulkner, managing member, Norman L. Faulkner, partner, and Norman F. Faulkner, partner, Virginia BioDiesel; and Allen Schaeffer, executive director, Diesel Technology Forum.

Message to the Senate Transmitting the Convention for the Strengthening of the Inter-American Tropical Tuna Commission
May 16, 2005

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Convention for the Strengthening of the Inter-American Tropical Tuna Commission established by the 1949 Convention between the United States of America and the Republic of Costa Rica, with Annexes, (the "Antigua Convention"), which was adopted on June 27, 2003, in Antigua, Guatemala, by the Parties to the 1949 Convention. The United States signed the Antigua Convention on November 14, 2003. I also transmit, for the information of the Senate, the report of the Secretary of State with respect to the Antigua Convention, with an enclosure.

The Antigua Convention sets forth the legal obligations and establishes the cooperative mechanisms necessary for the long-term conservation and sustainable use of the highly migratory fish stocks (such as tuna and swordfish) of the Eastern Pacific Ocean that range across extensive areas of the high seas as well as through waters under the fisheries jurisdiction of numerous coastal States. Once in force, the Antigua Convention will replace the original 1949 Convention establishing the Inter-American Tropical Tuna Commission (IATTC). Revisions to the 1949 Convention will strengthen the mandate of the IATTC to reflect changes in the law governing living marine resources since the adoption of the original Convention more than 50 years ago.

The highly migratory fish stocks governed by the Antigua Convention constitute an important economic resource for the countries of the region and vital components of the marine ecosystem of the Eastern Pacific Ocean requiring careful conservation and management. Early entry into force and implementation of the Antigua Convention will offer the opportunity to strengthen conservation and management of these resources in important ways, including through enhanced efforts to ensure compliance and enforcement of agreed conservation and management measures.

The Antigua Convention draws upon relevant provisions of the 1982 United Nations Convention on the Law of the Sea (the "LOS Convention") and the 1995 United Nations Agreement on the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks (the "U.N. Fish Stocks Agreement"). The Antigua Convention gives effect to the provisions of the LOS Convention and U.N. Fish Stocks Agreement that recognize as essential, and require cooperation to conserve highly migratory fish stocks through regional fishery management organizations, by those with direct interests in them—coastal States with authority to manage fishing in waters under their jurisdiction and those nations and entities whose vessels fish for these stocks.

The United States, which played an instrumental role in negotiation of the revised Convention, has direct and important interests in the Antigua Convention and its early and effective implementation. United States fishing concerns, including the U.S. tuna industry, U.S. conservation organizations, and U.S. consumers, as well as those people who reside in those U.S. States bordering the Convention Area, have crucial stakes in the health of the oceans and their resources as promoted by the Antigua Convention.

I recommend that the Senate give early and favorable consideration to the Antigua Convention and give its advice and consent to ratification.

GEORGE W. BUSH

The White House,
May 16, 2005.

Message to the Senate Transmitting the Convention on the Conservation and Management of the Highly Migratory Fish Stocks in the Western and Central Pacific Ocean, With Annexes
May 16, 2005

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Convention on the Conservation and Management of the Highly Migratory Fish Stocks in the Western and Central Pacific Ocean, with Annexes (the "WCPF Convention"), which was adopted at Honolulu on September 5, 2000, by the Multilateral High Level Conference on the Highly Migratory Fish Stocks in the Western and Central Pacific Ocean. The United States signed the Convention on that date. I also transmit, for the information of the Senate, the report of the Secretary of State with respect to the WCPF Convention.

The WCPF Convention sets forth legal obligations and establishes cooperative mechanisms that are needed in order to ensure the long-term conservation and sustainable use of highly migratory fish stocks (such as tuna, swordfish, and marlin) that range across extensive areas of the high seas as well as through waters under the fisheries jurisdiction of numerous coastal States. These constitute resources of worldwide importance, with the fisheries for tuna in the Western and Central Pacific being the largest and most valuable in the world. Implementation of the WCPF Convention will offer the opportunity to conserve and manage these resources responsibly before they become subject to the pressures of overfishing and over-capacity that are so evident elsewhere in the world's oceans.

The WCPF Convention builds upon the 1982 United Nations Convention on the Law of the Sea and the 1995 United Nations Agreement on the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks. The WCPF Convention gives effect to the provisions of these two instruments, which recognize cooperation to conserve highly migratory fish stocks as essential, and require those with direct interests in them—coastal States with authority to manage fishing in waters under their jurisdiction and nations whose vessels fish for these stocks—to engage in such cooperation through regional fishery management organizations.

The WCPF Convention balances in an equitable fashion the interests of coastal States, notably the island States that comprise the Forum Fisheries Agency (FFA), in protecting important fishery resources off their shores, and the interests of distant water fishing States, notably Asian fishing nations and entities (Japan, Republic of Korea, China, and Taiwan), whose fishing vessels range far from their own shores.

The United States, which played an instrumental role in achieving this balance, has direct and important interests in the WCPF Convention and its early and effective implementation. The United States is both a major distant water fishing nation (with the fourth-largest catch in the region) and an important coastal State with significant Exclusive Economic Zone waters in the region (including the waters around Hawaii, American Samoa, Guam, and the Northern Mariana Islands).

United States fishing concerns, including the U.S. tuna industry, U.S. conservation organizations, and U.S. consumers, as well as those residents of Hawaii and the U.S.

Flag Pacific island areas of Guam, American Samoa, and the Northern Mariana Islands, all have a crucial stake in the health of the oceans and their resources as promoted by the WCPF Convention.

I recommend that the Senate give early and favorable consideration to the WCPF Convention and give its advice and consent to its ratification.

GEORGE W. BUSH

The White House,
May 16, 2005.

Remarks at a Swearing-In Ceremony for Robert J. Portman as United States Trade Representative
May 17, 2005

The President. Thank you all for coming. I'm pleased to congratulate a distinguished public servant, Rob Portman, on becoming our new United States Trade Representative.

It's an honor to be with Rob's dad as well as Jane and Jed and Will and Sally. Glad you all are here. It's always great when our Trade Representative has teenagers in the house. [*Laughter*] It helps him become a skilled negotiator. [*Laughter*] I appreciate the other members of the Portman family who have joined us.

I thank members of my Cabinet who are here. Josh Bolten, thank you for coming. I appreciate Peter Allgeier, who is the Deputy U.S. Trade Minister. Peter, good to see you, sir.

I want to thank the Members of Congress who came, David Camp from Michigan, Paul Ryan from Wisconsin—and Janna. I appreciate—I'm not through yet—[*laughter*]——

Audience member. I'm sorry, sir. [*Laughter*]

The President. ——and Melissa Hart. Rick Lazio, former Member, thank you for coming.

I want to thank the Ambassadors who are here, diplomatic corps, *Embajadores de* Central America, as well as other ambassadors—welcome.

Ambassador Portman will be carrying on the superb work done by Bob Zoellick. Under Ambassador Zoellick's outstanding leadership, the U.S. Trade Representative's Office has worked with Congress to pass trade promotion authority. We've completed free trade agreements with 12 nations on 5 continents. And those agreements will open a combined market of 124 million consumers for America's farmers, small businesses, and manufacturers. I want to thank all the men and women at the USTR for the good work they have done.

Ambassador Portman is the right man to carry on this important work. He has a great record as a champion of free and fair trade. In his early days as an attorney, he specialized in international trade law. Throughout his time in Congress, he built a reputation as a steadfast proponent of the power of open markets to spread hope and prosperity around the world. As an Ohioan, Rob knows how much American farmers and workers depend on our export markets and how the expansion of agreements around the world can contribute to our economy here at home.

To advance our trade agenda, we have three priorities in the months ahead. Our first trade priority is to pass the Central American and Dominican Republic Free Trade Agreement, known as CAFTA. That is an important priority of this administration, and it should be an important priority of the United States Congress. Last week,

I met with the six Presidents from the nations. We all share an interest in prosperity for our people and peace in the region, and CAFTA gives us an historic opportunity to advance these common goals.

The agreement does four key things: It will level the playing field for American farmers and businesses; it will help our economy; it will make the region more competitive with Asia; and it will strengthen democracy in our backyard. At the moment, about 80 percent of imports from the region already enter the United States duty-free. Our market is open to the goods from CAFTA nations. CAFTA will open the region's markets of 44 million consumers to our goods and our services and our crops. CAFTA will also lower barriers in key segments like textiles. This would put CAFTA countries and America in a better position to compete with low-cost producers in Asia.

As it opens the Western Hemisphere markets, CAFTA will also bring the stability and security that can only come from freedom. Today, a part of the world that was once characterized by unrest and dictatorship now sees its future in free elections and free trade, and we must not take these gains for granted. These are small nations, but they are making big and brave commitments, and America needs to continue to support them as they walk down the road of openness and accountability. By transforming our hemisphere into a powerful free trade area, we will promote democratic governance and human rights and the economic liberty for everyone. CAFTA is a really important piece of legislation.

Our second trade priority is to encourage the Doha Development Agenda now being pursued by the World Trade Organization. This new framework is the largest negotiation of its kind in history, and it would reduce and eliminate tariffs in key industry sectors and unfair agricultural subsidies and open the global market in services.

Finally, our third trade priority is to ensure that those who sign trade agreements live up to their terms. China's membership in the World Trade Organization has been a good thing for America. Our exports to China have increased 81 percent since China's entry into the WTO. When it joined the WTO, China also agreed to the rules of international trade, and it's in the interest of both China and the United States for China to abide by them.

One reason I selected Ambassador Portman for this job is because I know he'll work to see that our farmers and our workers and service providers are treated fairly. Ambassador Portman will work to ensure that China stops the piracy of U.S. intellectual property, lifts the barriers that are keeping our goods and services out of China, and demonstrates its commitment to transparency and distribution rights for our products.

America is a nation founded on the idea of open exchange, and free and fair trade is a win-win for all sides. By opening new markets, we'll increase prosperity for our small businesses and farmers and manufacturers and create jobs for American workers. By enforcing trade laws and agreements, we will ensure a level playing field for America's workers. American workers can compete with anybody, anytime, anywhere when the rules are fair.

Rob Portman is America's Trade Representative. He's also my friend. I know his integrity and his wisdom and his dedication. And I know he's the right man to carry out our bold agenda at this important moment for world trade.

I want to thank you all again for coming. Congratulations, Rob.

NOTE: The President spoke at 2:34 p.m. in Room 450 of the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Ambassador Portman's father, William Portman, his wife, Jane Portman, and their children, Joseph "Jed" Portman, William Portman, and Sarah "Sally" Portman; Janna Ryan, wife of Representative Paul Ryan; and former Representative Rick

Lazio of New York. The transcript released by the Office of the Press Secretary also included the remarks of Ambassador Portman.

Message to the Congress on Continuation of the National Emergency With Respect to Burma
May 17, 2005

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. I have sent the enclosed notice to the *Federal Register* for publication, which states that the Burma emergency is to continue beyond May 20, 2005. The most recent notice continuing this emergency was published in the *Federal Register* on May 19, 2004 (69 *FR* 29041).

The crisis between the United States and Burma arising from the actions and policies of the Government of Burma that led to the declaration of a national emergency on May 20, 1997, has not been resolved. These actions and policies, including its policies of committing large-scale repression of the democratic opposition in Burma, are hostile to U.S. interests and pose a continuing unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, I have determined that it is necessary to continue the national emergency with respect to Burma and maintain in force the sanctions against Burma to respond to this threat.

GEORGE W. BUSH

The White House,
May 17, 2005.

NOTE: The notice is listed in Appendix D at the end of this volume.

Remarks at the Republican National Committee Dinner
May 17, 2005

Thank you all very much. Thanks for coming. Thanks for coming. Please be seated. [*Laughter*] Thank you for the warm welcome. Thank you for supporting the Republican Party. I am proud to be here today to not only offer my thanks but to remind you that our party has a positive, hopeful, optimistic vision for every single person who is fortunate enough to be an American.

We are driving the debate on all key domestic and foreign policy issues. Because of our achievements, the American people see the Republican Party as the party of reform and optimism, the party of ideals and vision. And one of the reasons I asked Ken Mehlman to serve as the chairman of our party is because he is a man of vision; he is an idealistic soul. He is willing to take our message to every neighborhood

in the United States of America. He did a fabulous job in managing my campaign in 2004. I'm proud to call him chairman of the Republican Party.

The comedienne in chief—[*laughter*]—is tied up, but she sends her love. Many of you know Laura as a friend. I'm fortunate to know her as a wife. She is a great mother and a fabulous First Lady for the United States. If you ever want to get a laugh, all you have to do is poke fun at the President and his mother. [*Laughter*]

I want to thank my Secretary of Interior; Gale Norton is with us.

I want to thank the Members of Congress who are here. I just had a chance to shake hands with Leader Bill Frist, who's doing a fabulous job. I enjoy working with the leadership of the House. Denny Hastert is a great Speaker of the House. Tom DeLay is a fine majority leader. Roy Blunt is a great whip. I thank all the Members of the Senate who are here, Members of the House who are here.

I appreciate my friend Governor Haley Barbour from the great State of Mississippi, who has joined us.

I want to thank Dwight Schar, the RNC finance chairman, and his wife, Martha. And I want to thank all the committee who is up here for working so hard to make this a successful evening. I appreciate your leadership. I appreciate your hard work. I appreciate your contributions. I want to thank Jo Ann Davidson, the RNC cochairman.

I appreciate my friend Ambassador Mercer Reynolds, who is here. You might have heard from Mercer—[*laughter*]—in the course of the 2004 year. [*Laughter*] I appreciate his hard work on my behalf.

I want to thank The Spinners, and I want to thank Ricky Skaggs.

But most of all, I thank you all. I want to thank you for supporting this event, and I want to thank you for supporting our party over the past years.

You know, we took on the 2004 campaign with good ideas and a bold agenda. But the reason the people listened is because we did a lot in 2000 and 2002—2001, 2002, 2003, and 2004. In other words, we came to Washington, DC, to solve problems. We came with some principles on how to solve those problems. And most importantly, we have shown the American people we're capable of delivering results that are good for the American people.

I mean, we understand that when you face economic hard times, the best way to get out of a recession is to let people keep more of their own money. We understand that when entrepreneurs and small businesses have more money in their treasury, they're more likely to hire somebody. And the economic policies we put in place during rough economic times are paying off. Our economy is growing. Since May 2003, we've added 3½ million new jobs. More people are working in America today than ever before in our Nation's history.

We came to Washington to challenge the status quo when it came to education. A lot of us were appalled at a system that just simply shuffled kids through the system. And so we wanted to challenge the soft bigotry of low expectations. And we successfully have challenged the soft bigotry of low expectations by insisting on high results and measurement so we can determine whether or not every child is learning to read and write and add and subtract. Because we acted, test scores are rising in America, the achievement gap for minority students is closing, the door of opportunity in our great country is opening more and more to every single child. No child will be left behind in America.

We came to Washington to help keep commitments. Our Nation has made a commitment to health care for our seniors. And yet the Medicare system that was available for our seniors was old and antiquated. We modernized Medicare. We said to seniors that you've got to have a medicine—a medical system that is up to date and current. Because we acted, we have given our seniors the medicine and pharmaceuticals that

they deserve and they need to have good health care in their elder years.

And we believe in ownership. We want more people owning something in America. We want more entrepreneurs owning their own business. Do you realize, today, more people own a home than ever before in our Nation's history. More minority families own a home than ever before in our Nation's history. Our party likes the idea when somebody opens their door and say, "Welcome to my house. Welcome to my piece of property." We understand that when you own something, you have a vital stake in the future of the United States of America.

No, we came to Washington to solve problems, and a major problem was presented to us, and that was the problem of a terrorist attack. But we acted. We put together the Homeland Security Department. It's the largest reorganization of Government in nearly a half a century. And I put good people in positions of responsibility and authority. I've asked them to streamline our Government so that I can look you in the eye and tell you, "The United States Government is doing everything we can to protect the people of this country." But the best way to protect the people of America is to stay on the offense against the terrorists and bring them to justice.

We have supported the United States military, and I can't tell you how proud I am to be the Commander in Chief of such a fine group of men and women. We've closed down terrorist networks and cells. We've disrupted their finances. We have chased their leaders down in mountains and deserts. We have been relentless, and we will stay relentless.

Our most important duty is to protect the American people from these cold-blooded killers. And when the American President speaks, he must mean what he says. And I meant what I said, "If you harbor a terrorist, you're equally as guilty as the terrorist." And I was speaking directly to people like the Taliban. And because we acted, not only did we uphold doctrine and enhance the credibility of the United States of America, but we freed nearly 30 million people from the clutches of one of the most barbaric regimes in the history of mankind. And I took great heart in recognizing that the first voter in the first Presidential election in years in Afghanistan was a 19-year-old woman.

Because we acted, the Middle East and the world are rid of Saddam Hussein and his murderous regime. And like you, I was overwhelmed by the courage of the over 8 million Iraqis who defied the suiciders and car bombers and assassins to cast their vote in the country's first free and democratic election in decades. We were successful. We delivered results because we stayed true to our principles, and we were not afraid to push forward with new ideas.

Let me put it to you this way: I do not need a poll or a focus group to tell me where I need to lead this country. In the midst of the Civil War, the first Republican President, Abraham Lincoln, said, "As our case is new, so we must think anew and act anew." And we continue that proud tradition today, as we're heading into the second term.

Many of the most fundamental systems, the Tax Code, pension plans, health coverage, legal systems, and public education, were created to meet the needs of an earlier time. In the next 4 years, we'll reform these institutions to meet the needs of a new century. See, we have a duty. The job of the President is to confront problems, not to pass them on to future Presidents and future generations.

And that's why I'm talking about Social Security, and the debate has only just begun. But I believe the side of reform is going to prevail, because the American people now are beginning to realize we have a serious problem when it comes to Social Security. And that problem begins with people like me. See, I'm fixing to retire. [*Laughter*] As a matter of fact, I turn retirement age in 2008. It turns out to be

a convenient time. [*Laughter*] But there's a lot of people like me; there's a lot of baby boomers getting ready to retire. As a matter of fact, when we fully retire there will be over 70 million people retired. To put that in perspective, today there are 40 million retirees. So there's a lot of us who will be receiving greater benefits.

They used to say when you're running for Congress, "Vote for me. I'm going to increase the benefits." [*Laughter*] Sure enough, people got elected—[*laughter*]—and they increased the benefits. [*Laughter*] To compound things even worse, we're going to live longer. I urge you to exercise on a daily basis. [*Laughter*] You got a lot of people receiving greater benefits, living longer, with fewer people paying into the system. In 2017, the Social Security system goes into the red.

See, somebody—as I travel the country—and I'm going to go to Milwaukee here later on this week for yet another stop—this is an education program. I've got to educate people about the truth, about the reality. See, a lot of people think there's a lockbox—[*laughter*]—that we take your money, and we save it for you. This is a pay-as-you-go system. You pay your payroll taxes, and we go ahead and spend it here in Washington, DC. [*Laughter*] In 2017, the system goes into the red. In 2027, we're $200 billion short on what we owe people like me, relative to the payroll taxes. In 2041, the system goes bankrupt. We've got a serious problem.

We don't have a problem for those people receiving Social Security today. As a matter of fact, if you were born prior to 1950, the system is in good shape. You're going to get your check. We have a problem for generations to come, and now is the time to act. Now is the time for people to come together and solve this problem once and for all.

Not only do we need to save Social Security permanently for younger generations, we've got to make it a better deal for people coming up. That's why I believe younger people ought to be able to take some of their own money and set it aside in a voluntary personal savings account, so they can get a better rate of return on their money than the Government can get for them. But this idea has got more benefits to our society than just better rates of return. See, I don't subscribe to the notion that only certain people are a part of the investor class. I believe every American should be a part of the investor class. I believe every American should be encouraged to own assets, so they can pass it on to whomever they choose, assets that the Federal Government can never take away.

Our party is the party of growth, and we're showing the country we're also the party of spending restraint. That's why I submitted the first budget to actually cut nonsecurity discretionary spending since Ronald Reagan was in office. Congress is on track to hold nondiscretionary—nonsecurity discretionary spending below last year's levels. And that's an important message to send. And the message is this: We're going to spend your money wisely, or we're not going to spend it at all.

Our Tax Code is out of date; it is incoherent. [*Laughter*] We spend too many hours trying to figure it out. So I've appointed a bipartisan panel to examine the code from top to bottom. And when their recommendations are delivered, we're going to work together to put together a Tax Code that is progrowth, pro-entrepreneur, easy to understand, and fair to all.

I've been spending some time talking about a subject that I know is dear to your heart. See, you've been going to the gasoline pumps lately. This country needs a—we need an energy plan. I submitted a plan to the Congress when I first arrived here. Four years of debate is enough. We need a plan that encourages conservation, encourages environmentally sensitive exploration for oil and gas in our own hemisphere, in our own country. We need a

plan that encourages the use of renewables. We need a plan that makes wise use of coal and nuclear power. We need a plan that allows us to diversify away from hydrocarbons. We need a plan that is good for economic security and national security, a plan that makes us less reliable on foreign sources of energy.

I put that plan to the United States Congress. The House passed a good bill. Now it is time for the United States Senate to follow suit. And I expect them, for the sake of this country and for the sake of our economy, to get me a bill by the August recess—a bill that I can sign.

We're going to continue to work to free our businesses, small and large, from needless regulations and to protect honest job creators from the junk lawsuits. We're making progress. I signed a bill that passed both the House and the Senate, for class-action reform and bankruptcy reform. Now we need to pass asbestos litigation reform. And for the sake of good medical care, we need to stop these junk lawsuits that are running good docs out of practice and running up the price of your medical bills.

We've got a clear agenda to make health care more affordable and to give families greater access to coverage and more control over their health care decisions. We're going to move forward to improve information technology. We're going to continue to expand health savings accounts. Congress needs to pass association health care plans so small businesses are able to pool risk and buy insurance at the same discounts that big business is going to do. One thing we're not going to do is we're not going to allow the Federal Government to make the health care decisions for patients and doctors in America.

We'll continue to pass along to future generations time-honored values that sustain freedom and personal responsibility here at home. One of the most important initiatives I've laid out, and that we're now implementing, is our faith-based and community groups initiative. It's an initiative that understands that in parts of our country, people of faith and people of good will are able to heal broken hearts. The Federal Government should not fear faith-based institutions. We ought to welcome the healing works of the faith community in America.

This party of ours will continue to promote a culture of life, and we will defend the institution of marriage from being redefined forever by activist judges.

And speaking about judges—[*laughter*]—in the last two elections, the American people made clear that they want judges who faithfully interpret the law, not legislate from the bench. I have a duty to nominate well-qualified men and women to the Federal judiciary. I have done just that, and I will continue to do so.

The Senate also has a duty to promptly consider each of these nominees on the Senate floor, discuss and debate their qualifications, and then give them the up-or-down vote they deserve. And speaking of confirmations, the Senate should also promptly confirm Mr. John Bolton, my nominee to be our Ambassador to the United Nations, so we can get on to the business of reforming that vital institution.

Over the next 4 years, we'll be relentless in tracking down the terrorists. We will confront them abroad so we don't have to face them here at home. And as we do so, I want you to understand, I understand that the best way to make America more secure is to spread freedom and democracy.

Freedom is on the march, because I believe etched in everybody's soul is the desire to be free. I don't care what your religion is. I don't care where you're from. Deep in your soul is the desire to be free. I believe every mother across the globe wants to raise her child in a peaceful and free society. I believe everybody wants to be able to express themselves freely and worship freely without fear of government.

People in the Palestinian Territories cast their ballot against violence and corruption. The people of Lebanon are rising up to

demand freedom and independence. The people in Egypt are taking its first steps on the path to democratic reform. The people in the Ukraine have stood strongly for their rights. I was in Georgia recently, the site of the Rose Revolution, where people stood in the town square and said, "Let us be free." Freedom is on the march, and the world will be more peaceful as a result of it.

We have a duty for future generations. We have a duty to leave this world more peaceful. We have a duty to reform the institutions that are old and tired. That's our duty.

You know, political parties can take one of two approaches to great problems. One approach is simply to do nothing, to deny that a problem exists or delay solutions or refuse to take responsibility. The political parties that choose this option will not gain the trust of the American people. The other approach is to lead, to focus on the people's business, and to take on the tough problems. And that's exactly what we're doing here in Washington, DC. We're focusing on the people's business, and we are taking on the tough problems. And that's why the American people have entrusted us with the leadership of this Nation at an historic time.

It's a great privilege to serve the American people, and it carries great responsibilities. You see, the actions that we take today will shape the course of events for the next half-century. We've set big goals, and they're not always easy to achieve. The truth of the matter is, if they're easy, somebody else would have already done it. [*Laughter*] But we're going to continue to be the party of idealism and reform. And we'll continue to lead, no matter how tough the challenge.

We'll trust the American people. We'll continue to give them a clear choice. And so long as we stay true to our values and our ideas, we will do what Americans have always done, and that is to build a better world for our children and our grandchildren.

Thanks for coming. God bless. Thank you all.

NOTE: The President spoke at 6:56 p.m. at the Grand Hyatt Hotel. In his remarks, he referred to Kenneth B. Mehlman, chairman, Republican National Committee; Mercer Reynolds, former Victory national finance chairman, Bush-Cheney '04 campaign; entertainers The Spinners and Ricky Skaggs; and former President Saddam Hussein of Iraq. He also referred to the President's Advisory Panel on Federal Tax Reform.

Remarks at a Swearing-In Ceremony for John D. Negroponte as Director of National Intelligence and Michael V. Hayden as Deputy Director of National Intelligence

May 18, 2005

Good afternoon. Thank you for being here. I am honored and pleased to congratulate John Negroponte on becoming America's first Director of National Intelligence. I also congratulate General Mike Hayden on becoming on our Nation's first principal Deputy Director of National Intelligence.

I want to thank Secretary of State Condi Rice and Secretary of Defense Don Rumsfeld for joining us today. I appreciate Porter Goss, head of the Central Intelligence Agency, for joining us, Robert Mueller, Director of the FBI.

I appreciate Senator Ted Stevens, Senate President pro tem, joining us today, along

with Senator Jay Rockefeller. Thank you both for being here. I want to thank Congressman Peter Hoekstra, chairman of the House Permanent Select Committee on Intelligence, along with Congresswoman Jane Harman, ranking member. Thank you both for coming.

I appreciate Chuck Robb, Cochairman of the WMD Commission, for joining us today. I want to thank members of the intelligence community who have joined us. I thank the rest of you for coming too. [*Laughter*]

Ambassador Negroponte's position is one of the newest in the Government and one of the most demanding. Our Nation is at war, and John is making sure that those whose duty it is to defend America have the information we need to make the right decisions. He's ensuring that our intelligence agencies work as a single, unified enterprise. And he's serving as my principal intelligence adviser. These are vital and urgent responsibilities, and John has what it takes to fulfill them all.

In his distinguished career, John has represented America in eight nations on three continents. He's served every President since Dwight Eisenhower. Over the past 4 years, I've come to know John's wisdom, intellect, and integrity. I've relied on his candid judgment to help solve complicated problems. I have witnessed his unique ability to bring people together, most recently in his historic achievements as Ambassador to a free Iraq. I'm grateful to John for answering his Nation's call. I thank his family for joining us today.

John is fortunate to count on an experienced and capable deputy in General Mike Hayden. General Hayden understands the intelligence community from the ground up. He has a long record of wise and effective reform. Mike also has a clear understanding of our enemies in the war on terror. He'll be a superb deputy to Ambassador Negroponte. I thank Mike for his willingness to serve, and I'm glad to see his family as well.

As John Negroponte and Mike Hayden carry out their new duties, they're relying on the thousands of dedicated professionals working in our intelligence community. These men and women serve America with a wide variety of talents and expertise. They all report to work everyday with the same goal, to protect our fellow citizens from harm. Intelligence officers work in secret and often at great risk to their lives. Their vigilance and bravery are vital to America's security. And on behalf of all Americans, I thank them and their families for their service in the cause of freedom.

As Director of National Intelligence, John is taking action to help all who serve in the intelligence community to do their jobs more effectively. He has assembled a strong leadership team that reflects a wide range of skills and intelligence experience. He's visited a number of intelligence agencies. He's listened to experts in a variety of fields, and he's made reforms in the daily intelligence briefing. John recognizes and values the contributions of all who collect and analyze intelligence. He will ensure that they have access to the tools and information their missions demand.

In the days ahead, Ambassador Negroponte and General Hayden will continue the structural reforms of our intelligence community that began after September the 11th, 2001. We've now implemented the vast majority of the 9/11 Commission's recommendations through Executive orders and the intelligence reform bill I signed last December.

My administration is also reviewing all the recommendations made by the Silberman-Robb Commission on weapons of mass destruction. We have already begun to implement a number of their recommendations. We will continue to evaluate and act on the Commission's useful blueprint to improve the quality and quantity of intelligence we collect and to be able to analyze that information more thoroughly.

John Negroponte will also ensure the sharing of information among agencies and

establish common standards for the intelligence community's personnel. I have confidence in John Negroponte and Mike Hayden to carry out these vital missions. Well-integrated, effective intelligence efforts are America's first line of defense against the threats of the 21st century.

I thank the Congress for creating the Director of National Intelligence position and for swiftly confirming two talented, dedicated Americans to lead our intelligence community. I look forward to working with this team to improve our intelligence capabilities and to use those capabilities to win the war on terror.

Congratulations to both men. May God bless you and your families, and may God continue to bless our country.

NOTE: The President spoke at 1:18 p.m. in the Courtyard at the New Executive Office Building. In his remarks, he referred to the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction (Silberman-Robb Commission); and the National Commission on Terrorist Attacks Upon the United States (9/11 Commission). The transcript released by the Office of the Press Secretary also included the remarks of Director Negroponte.

Remarks at the International Republican Institute Dinner
May 18, 2005

Thank you all. Thank you. Thanks. Please be seated. Thank you for the warm welcome. I thank John for that introduction. John McCain is a man of honor and integrity and personal courage. He's an outstanding chairman for the International Republican Institute. He campaigned with me, for which I was grateful, and one time he said, "Do you believe in free speech?" I said, "I do." He said, "Why don't you get over to the IRI and give one, then?" [*Laughter*]

It was an honor to meet your mother, John—Roberta. There she is. Mrs. McCain, it's good to see you. If you're anything like my mother, I'm sure you're telling John what to do. [*Laughter*] If he's anything like me, he's listening to you about half the time. [*Laughter*] But thank you very much, John.

I appreciate your president, Lorne Craner. He did a fantastic job in our administration as Assistant Secretary of State for Democracy and Human Rights and Labor, and he continues to do good work.

I regret Laura is not with us tonight. You probably think she's working on some of her one-liners. [*Laughter*] She's actually packing her bags because she's off for Jordan and Israel and Egypt to continue to deliver the freedom message, and I can't think of a better messenger.

I want to thank Peter Madigan and John Thain. I want to thank the Members of the Congress who are here tonight. I particularly want to say hello and thanks to my close friend Ambassador Jerry Bremer for his fantastic work in Iraq. Thank you, Jerry, for your good job.

I'm pleased to know that Paul Wolfowitz is with us tonight, President-elect of the World Bank. I'm going to miss him as a part of my administration. But I want to tell you something: The world will be better off with Paul Wolfowitz as the head of the World Bank.

I want to thank the members of the diplomatic corps.

And I want to thank you for this fine award. I understand a little later on you're going to give an award to a true champion of freedom, and that is Pope John Paul II. Everywhere he went, Pope John Paul preached the call of freedom is for every

member of the human family, because the Author of Life wrote it into our common human nature. And in the end, even the Berlin Wall could not withstand the force of this humble Polish priest who became the Bishop of Rome and a true hero for the ages. Thank you for honoring this good man.

I'm here to thank you for supporting the IRI. And I appreciate the work IRI is doing to advance the cause of liberty. For more than two decades, IRI has been at the forefront of democratic change in more than a hundred countries. You've trained the next generation of leaders. You've strengthened political parties. You've monitored elections, and you're helping to build civil societies. You've made an enormous difference in the lives of millions across the world. I hope that makes you feel good. The world is safer and freer and more peaceful because of the International Republican Institute. Thank you for your good work.

These are incredibly exciting times. They must be exciting times for you, and they're exciting times for me. They should be exciting times for everybody because freedom is making unprecedented progress across the globe. In the last 18 months, we have witnessed revolutions of Rose, Orange, Purple, Tulip, and Cedar. And these are just the beginnings. Across the Caucasus and central Asia, hope is stirring at the prospect of change, and change will come. Across the broader Middle East, we are seeing the rise of a new generation whose hearts burn for freedom, and they will have it.

This is a period of great idealism, when dreams of liberty are coming true for millions. Yet, to achieve idealistic goals, we need realistic policies to help nations secure their freedom and practical strategies to help young democracies consolidate their gains.

To help young democracies succeed, we need to recognize that freedom movements can create a vacuum. Democratic change and free elections are exhilarating events. Yet we know from experience they can be followed by moments of uncertainty. When people risk everything to vote, it can raise expectations that their lives will improve immediately, but history teaches us that the path to a free society is long and not always smooth.

During my visit to Europe, I stopped in a country that is now in the early stages of its transition from free elections to a free society, and that's the nation of Georgia. It was a fantastic honor to represent our country in front of thousands of people and to stand side by side with a true lover of freedom, President Saakashvili. It was an unbelievable experience to stand in Freedom Square to celebrate the peaceful revolution that took place 18 months ago. Yet it has taken nearly 15 years of struggle for the citizens of this young democracy to establish freedom and justice in their country. But I've seen the resolve of Georgia's leaders and the spirit of the Georgian people. And I can assure you, they have the will to succeed, and the United States of America will help them.

Almost every new democracy has gone through a period of challenge and confusion. In Slovakia, the Velvet Revolution was followed by a period of neoauthoritarian rule before freedom firmly took hold. In Romania, the communist regime was toppled in 1989, and today, the post-communist leadership is still dealing with the legacy of corruption they inherited as they work to build a vibrant democracy. In Ukraine, citizens waited 13 years after independence for the Orange Revolution that solidified the democratic gains. All these countries still have much more work to do, but their people are courageous, and their leaders are determined. And with our help, they will prevail.

And as we push the freedom agenda, we must remember the history of our own country. The American Revolution was followed by years of chaos. In 1783, Congress

was chased from Philadelphia by angry veterans demanding backpay, and the Congress stayed on the run for 6 months. Our first effort at a governing charter, the Articles of Confederation, failed miserably. It took several years before we finally adopted our Constitution and inaugurated our first President. It took a 4-year civil war and a century of struggle after that before the promise of our Declaration was extended to all Americans.

No nation in history has made the transition from tyranny to a free society without setbacks and false starts. What separates those nations that succeed from those that falter is their progress in establishing free institutions. So to help young democracies succeed, we must help them build free institutions to fill the vacuum created by change. Democracy takes different forms in different cultures. Yet we know that in all cultures, successful democracies are built on certain common foundations, and they include the following rights:

First, all successful democracies need freedom of speech, with a vibrant free press that informs the public, ensures transparency, and prevents authoritarian backsliding.

Second, all successful democracies need freedom of assembly, so citizens can gather and organize in free associations to press for reform and so that a peaceful, loyal opposition can provide citizens with real choices.

Third, all successful democracies need a free economy to unleash the creativity of its citizens and create prosperity and opportunity and economic independence from the state.

Fourth, all democracies need an independent judiciary to guarantee rule of law and assure impartial justice for all citizens.

And fifth, all democracies need freedom of worship, because respect for the beliefs of others is the only way to build a society where compassion and tolerance prevail.

These are the foundations that sustain human freedom. Societies that lay these foundations not only survive but thrive. Societies that fail to do so often find they have built their future on sand instead of rock and risk sliding back into tyranny. So we have a great responsibility. We must help these young democracies build the free institutions that will protect their liberty and extend it to future generations.

To help young democracies succeed and build these institutions of liberty, we must enlist the help of many individuals and institutions. Nongovernmental organizations have a role to play; the United States Government has a role to play; and the world's free nations all have important roles to play.

To build free institutions, we're counting on groups like IRI. As more and more people rise up to demand their freedom, the world is seeing a proliferation of democratic transitions. For IRI and others in the business of promoting democratic change, this is good news. It means you are in a growth industry. We need you to continue your vital work to help ensure free and fair elections across the world. At the same time, we also need you to focus your skills and experience on what comes after the elections are over, and the media has left, and the world's attention has turned elsewhere.

As new democracies emerge, we need you to help civic associations in those countries transform from regime opponents to issue advocates, so they can press legitimate governments for essential reforms. We need you to help the democratic reformers you have trained make the transition from dissidents to elected legislators by teaching them how to build coalitions and set legislative agendas and master unfamiliar skills like constituent service. We need you to help businesses in new market economies organize trade associations and chambers of commerce, so they can promote progrowth economic policies. And we need you to teach newly elected governments the importance of building public support for their policies and programs as well as how to effectively deal with a free news media.

By helping people build these institutions and develop the habits of liberty, you are helping them transform new democracies into lasting free societies.

To build free institutions, the United States Government has responsibilities. To help meet this goal, since taking office my administration has provided more than $4.6 billion for programs to support democratic change around the world, and we have requested over 1.3 billion for these efforts in our 2006 budget. Our 2006 budget also requests $80 million for the National Endowment of Democracy, more than double NED's budget when I took office. The reason I bring this up is I want you to understand that we have funding, but we will focus that funding to help new democracies after the elections are over.

We must also improve the responsiveness of our Government to help nations emerging from tyranny and war. Democratic change can arrive suddenly, and that means our Government must be able to move quickly to provide needed assistance. So last summer, my administration established a new Office of Reconstruction and Stabilization in the State Department, led by Ambassador Carlos Pascual. This new office is charged with coordinating our Government's civilian efforts to meet an essential mission, helping the world's newest democracies make the transition to peace and freedom and a market economy.

You know, one of the lessons we learned from our experience in Iraq is that while military personnel can be rapidly deployed anywhere in the world, the same is not true of U.S. Government civilians. Many fine civilian workers from almost every department of our Government volunteered to serve in Iraq. When they got there, they did an amazing job under extremely difficult and dangerous circumstances, and America appreciates their service and sacrifice.

But the process of recruiting and staffing the Coalition Provisional Authority was lengthy, and it was difficult. That's why one of the first projects of the new Office of Reconstruction and Stabilization is to create a new Active Response Corps made up of foreign and civil service officers who can deploy quickly to crisis situations as civilian first-responders. This new Corps will be on call, ready to get programs running on the ground in days and weeks instead of months and years. The 2006 budget requests $24 million for this office and $100 million for a new Conflict Response Fund. If a crisis emerges and assistance is needed, the United States of America will be ready.

This office will also work to expand our use of civilian volunteers from outside our Government who have the right skills and are willing to serve in these missions. After the liberation of Iraq and Afghanistan, Americans from all walks of life stepped forward to help these newly liberated nations recover.

Last summer, a Lancaster, Ohio, police officer named Brian Fisher volunteered to spend a year in Baghdad training Iraqi police. Brian says, "The Iraqi people have been under a dictatorship, and now they are moving toward democracy, and I want to do something to help." What a fantastic spirit that Brian showed, but he's not alone. Last May, a Notre Dame Law School professor named Jimmy Gurule helped train 39 Iraqi judges, some of whom will conduct the trials of Saddam Hussein and other senior members of his regime. Because of efforts of people like him and Brian, these trials will be fair and transparent.

These are ordinary Americans who are making unbelievable contributions to freedom's cause. And the spirit of the citizenship of this country is remarkable, and we're going to put that spirit to work to advance the cause of liberty and to build a safer world.

We're improving the capacity of our military to assist nations that are making democratic transitions. In Iraq and Afghanistan, our men and women in uniform are serving with unbelievable courage and distinction, and they make this country incredibly

proud. The main purpose of our military is to win the war on terror, is to find and defeat the terrorists overseas so we do not face them here at home. A major goal of our military is to train Iraqi and Afghan security forces so these nations can defend their people and fight the terrorists themselves. But at the same time, America's Armed Forces are also undertaking a less visible but increasingly important task, helping these people of these nations build civil societies from the rubble of oppression.

In Afghanistan, U.S. and coalition forces are deploying Provincial Reconstruction Teams in remote regions of that country. These teams are helping the Afghan Government to fix schools, dig wells, build roads, repair hospitals, and build confidence in the Afghan Government's ability to deliver real change in people's lives. In Iraq, soldiers of the 1st Cavalry Division launched "Operation Adam Smith," provided Iraqi entrepreneurs with small-business loans, taught them the important skills to run a business, like accounting and marketing and writing business plans.

To give our military more resources for this vital work, we are rebalancing our forces, moving people out of skills that are in low demand, such as heavy artillery, and adding more military police and civil affairs specialists that are needed in these types of situations. By transforming our military, we will make our Armed Forces faster, more agile, and more lethal, and we will make them more effective in helping societies transition from war and despotism to freedom and democracy.

To build free institutions, all free nations have responsibilities. We know that democracies do not foment terror or invade their neighbors. Democratic societies are peaceful societies, which is why, for the sake of peace, the world's established democracies must help the world's newest democracies succeed.

The United States will continue to call upon our friends and allies across the world to help in this noble cause. And today, many nations are stepping forward with practical help. And some of the most active countries are those who have had recent experience with tyrants themselves. Hungary has established an International Center for Democratic Transition to share its experiences with emerging democracies. Lithuania is now preparing to deploy a Provincial Reconstruction Team in western Afghanistan. Slovakia is bringing Iraqi political leaders to their country to show them firsthand how a nation moves from dictatorship to democracy. With the help of IRI, Poland and Lithuania and Latvia are working with civil society leaders in Belarus to bring freedom to Europe's last dictatorship.

Bahrain and Jordan, the Czech Republic, and Britain and Italy are hosting hundreds of Iraqi judges so they can study modern legal techniques that will help Iraq establish the rule of law. Many nations are contributing troops for stability operations. In Afghanistan, 40 countries have forces on the ground, and NATO has taken charge of the International Security Assistance Force in Kabul. In Iraq, 30 nations have forces deployed, and NATO is helping to train army officers and police and civilian administrators of a new Iraq.

This is incredibly important work. And I will remind the leaders of free countries how important this work is.

And it's not easy work; it's tough work. As we're seeing in the Middle East, freedom often has deadly enemies, men who celebrate murder, incite suicide, and thirst for absolute power. By working together to aid democratic transitions, we will isolate and defeat the forces of terror and ensure a peaceful world for generations to come.

Today, much of our focus is on the broader Middle East, because I understand that 60 years of Western nations excusing and accommodating the lack of freedom in that region did nothing to make us safe. If the Middle East remains a place where freedom does not flourish, it will remain a place of stagnation and resentment and

violence ready for export. The United States has adopted a new policy, a forward strategy of freedom in the Middle East, a strategy that recognizes the best way to defeat the ideology that uses terror as a weapon is to spread freedom and democracy. And we're beginning to see the effects of this new approach.

Iraq and Afghanistan have held free elections and are now building free societies. In Afghanistan, they have for the first time a democratically elected President, and they are now seeing the rebirth of civil society in a place that until recently had only known the terror of the Taliban. Iraqis now have an elected Transitional National Assembly, a new Prime Minister, and they are on their way to writing a new constitution for a free Iraq. In this vital work, Iraqis and Afghans have the support of the American people and, thankfully, the support of the International Republican Institute.

The Palestinian people have gone to the polls and have chosen a leader committed to negotiation instead of violence. And now we must help them build free institutions that will be a foundation for lasting peace. I've asked Jim Wolfensohn to help President Abbas build a modern economy and lasting political institutions. If we want to have two states living side by side in peace, the world must insist that the Palestinians develop the institutions necessary for a free, democratic society to grow and emerge.

Egypt will hold its first multiparty Presidential election this fall. The success of this important step can be advanced by the presence of international monitors and by rules that allow for a real campaign.

In Lebanon, the citizens of that nation rose up to demand their independence and will vote in elections that are set to start at the end of this month. Those elections must go forward with no outside influence. And when the Lebanese people have chosen their leaders, the world's free nations will be there to help them build a lasting democracy.

In these countries and across the world, those who claim their liberty will have an unwavering ally in the United States. This administration will stand with the democratic reformers, no matter how hard it gets. We have a responsibility to build a more peaceful world. And we know that by extending liberty to millions who have not known it, we will advance the cause of freedom and the cause of peace. And we're confident—we are confident in the future because we know that the future belongs to freedom.

And we know the tree of liberty begins as a sapling, vulnerable to violent winds and gathering storms. Yet if nurtured and protected, it will grow into a mighty oak that can withstand any storm, and when it does, the very winds that once threatened it will carry its seeds across borders and barriers to take root in still other lands.

We will encourage freedom's advance. We will nurture its progress, and we will help the nations that choose it to navigate the pitfalls that follow. This is the challenge of a new century. It is the calling of our time. And America will do its duty.

May God bless you all. Thank you.

NOTE: The President spoke at 7:09 p.m. at the Renaissance Hotel. In his remarks, he referred to Senator John McCain, chairman, Lorne Craner, president, and Peter T. Madigan, vice chairman, International Republican Institute; John A. Thain, chief executive officer, New York Stock Exchange; L. Paul Bremer III, former Presidential Envoy to Iraq; President Mikheil Saakashvili of Georgia; President Hamid Karzai of Afghanistan; Prime Minister Ibrahim al-Jafari of the Iraqi Transitional Government; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; and outgoing World Bank President James D. Wolfensohn, Special Envoy for Gaza Disengagement.

Remarks in a Discussion on Strengthening Social Security in Milwaukee, Wisconsin
May 19, 2005

The President. Thank you all very much. Pleased be seated. Thanks for coming. Thanks for the warm welcome. Dennis, thank you very much. I'm so honored that the MMAC would host this reception—or this conversation. Thanks for coming. And I appreciate Tim Sheehy as well, the president. I thank the members who are here for allowing me to come by and have a conversation with some of your fellow citizens about an incredibly important topic, and that is the Social Security system.

But before I get there, I've got some other things I want to say, if you don't mind. [*Laughter*] First, I'm sorry Laura is not traveling with me today. She is—you probably think she's home preparing a few one-liners. [*Laughter*] She's not; she's home packing her bags. She is off to Jordan and Egypt and Israel to represent our country. I can't think of a better representative than Laura Bush. She's going to help advance the freedom agenda, which is really the peace agenda. The more freedom there is in the world, the more this world will be a peaceful world.

It's been an incredible time. It's been an amazing time, hasn't it, to watch and to see these people around the world demanding their freedom. And it's such an honor to be a part of helping people realize the great potential of a free society. It was an amazing moment to stand in Georgia—Tbilisi, Georgia, in front of over 150,000 people that were so thrilled to see a representative of the United States, and they were thrilled to see us there because we stand for freedom and human dignity and the belief that everybody counts and that you ought to be able to worship freely. I hope you take great pride in what America stands for and know that, as we spread not American values but God-given values around the world, this world is a better place.

I want to thank Congressman Paul Ryan. He's one of the bright lights in the United States Congress, a very sharp guy. He jumped on Air Force One—easy ride home, right, Ryan? [*Laughter*] Are you going back? Oh, he is going back. Good. But we spent a lot of time talking about this issue. He's a smart guy and cares a lot about the Social Security issue. I really appreciate you taking time out to come and hear this discussion.

I want to thank Andrew Ziegler, the president of the Milwaukee Art Museum, and David Gordon for letting us come by. What a fantastic building. I mean, it's really—I know you're incredibly proud of this fantastic facility, and I know the citizens of Milwaukee support it strongly, as you should. So thanks for letting us come by and use this facility. It's a—look at it this way, it's a chance to show it off for the world, to the extent the world is watching C–SPAN.

I had an amazing experience. I stopped by a business here called OnMilwaukee.com—[*applause*]—a little bit of a following. Things are catching on. I rode over here with Jeff Sherman and Andy Tarnoff, two young guys, Milwaukee citizens who started this company, entrepreneurs who took risk and have put out a product people obviously want. It's a fast-growing little business. I met our participants over there to talk about what we're going to do here, but also, I love to see entrepreneurs. You know, part of the role of Government is to create an environment in which people are willing to take risk and—which means low taxes, reasonable regulation. We've got to get rid of all these junk lawsuits that are threatening small businesses, the job creators. But I want to

thank Andy and Jeff and their employees or associates for welcoming me there. And it was—thanks for putting me on the front page of today's addition. [*Laughter*]

I also want to welcome Jack Voight, the State treasurer, and the State Senate majority leader, Dale Schultz. Hey, Dale, tell your wife hello. We traveled on a bus together.

Let me start off on Social Security by saying this: Franklin Roosevelt did a smart thing in setting up a safety net for people who, when they retired, would know they would be able to more likely live in dignity upon retirement. He did a smart thing. And it worked. Social Security worked for a long time. As a matter of fact, I fully understand that right here in the State of Wisconsin, a lot of people are counting on the Social Security check. In other words, Social Security is really important for a lot of people's lives. In my home State of Texas, a lot of people rely solely on their Social Security check.

And as we discuss Social Security, it's important for the people of Milwaukee to understand and Wisconsin to understand that this discussion we're having really is not about you, but it's about your children and your grandchildren, because I can look in the camera and say with absolute certainty, "If you're on Social Security today, nothing will change. You will get your check." The system is solvent enough—the system is solvent for people born before 1950.

The reason I have to say that is because many of you are aware of what takes place in politics. People say the darndest things to try to change people's opinions. They might say, "If old so-and-so gets elected, you're not going to get your Social Security check." In other words, people have been using Social Security to scare seniors to vote one way or the other for a long period of time. And so therefore, when I'm talking about the reform, I want you to recognize, one, Social Security is important, and two, if you're a senior, you have nothing to worry about. You will get your check.

But if you've got a grandchild, you've got plenty to worry about if you care about your children and your grandchildren. And here's why—here's why. There's a lot of us getting ready to retire. We're called baby boomers. I'm one. As a matter of fact, my retirement age is in 2008. [*Laughter*] I turn 62 in 2008; it's kind of convenient. [*Laughter*] And there's a lot of us. As a matter of fact, by the time the baby boomers fully retire, there's going to be over 70 million of us. That's compared to 40-some odd million today. So the number of retirees that the system will have to take care of is increasing dramatically, and we're living longer.

A lot of baby boomers have been working out and taking care of our bodies, making good choices, and medicine is better, and we're living longer. It's just a fact. We're living longer than the previous generation, and we've been promised greater benefits. People were running for office saying, "Vote for me. I'm going to give you more benefits when it comes to Social Security." And sure enough, they got elected, and they kept their promise. And so you've got a lot of people getting ready to retire who are living longer who are getting greater benefits, and fewer people paying into the system.

In 1950, there was, like, 15 workers to one beneficiary. In other words, you had a lot of workers relative to the number of beneficiaries. Today, there's 3.3 workers per beneficiary. Relatively quickly, it will be two workers per beneficiary—fewer people paying greater benefits to a greater number of people who are living longer.

Now, secondly, Social Security is not a savings account. In my travels around the country, I hear people say, "Why don't you just give us the money back we put in?" But that's not the way Social Security works. It's a pay-as-you-go system. You pay; we go ahead and spend. [*Laughter*] You pay through payroll taxes. We spend on

paying for the beneficiaries, the retirees for that year. But if we've got any money left over, we didn't save it for you. We spent it on Government. That's the way it works. It's a pay-as-you-go. And then there's—all that's left over is a file cabinet full of IOUs. I have seen the file cabinet in West Virginia firsthand, and I saw all the IOUs. But the system is not the kind of system where we're holding the money for you. That's not the way it works. We're spending your money and left behind some paper that can only be good if the Government decides to redeem the paper. That's a pay-as-you-go system.

The pay-as-you-go system starts to go in the red, because it's going to pay out more in benefits than it collects in taxes, in 2017. That's 12 years from now. If you've got a 6-year-old child, that will be about the time your child starts to drive, if the driving age is 18 here in Wisconsin. In 2027—and by the way, the situation gets worse every year, fewer people paying in for more beneficiaries. In 2017, the system will be $200 billion for that year in the red. I don't know where they're going to get the money. Every year it gets worse. In 2032, it's like $300 billion in the red. In 2041, it's bust.

Now, if you're a senior, you have nothing to worry about because it's got plenty of money for you. But if you're a young worker, a young entrepreneur, a young mom paying into the system, you're paying into a bankrupt system unless the United States Congress decides to act.

Now, I see a problem. I fully recognize that some in Washington don't see a problem. They'd rather kind of sweep this issue under the rug. But that's not the job of the President. The job of the President is to confront problems and not pass those problems on to another President or another Congress or another generation. And I realize if we don't act, it's going to cost $600 billion a year because of inaction. And I realize if we don't act, we're liable to saddle a younger generation of Americans with an 18-percent payroll tax to make good for the promises that you've made for me. And that's not fair, and that's not right.

And so I went in front of the Congress and said, "We got a problem." I said it at the State of the Union. I also told the leadership that I plan on campaigning on this issue, in other words traveling the country doing exactly what we're doing here, making it perfectly clear to the American people we have a problem. Guess what. They now know we got a problem. And that's bad news for people in Washington, DC, who would rather do nothing, because once the people figure out we got a problem, the next question they're going to say to Members of the United States Congress is, "What do you intend to do about it?"

Now, I have an obligation to do more than just say we got a problem. I've got an obligation to say, "Here's some ideas that we got to work on." First, anything we do, we got to make sure that future generations receive benefits equal to or greater than benefits enjoyed by today's seniors. I think that's a reasonable principle.

Secondly, I believe that—I know we can solve a lot of the issue by embracing what's called progressive indexing of benefits. It's a long word, fancy words for this. Here's what happens: The promises Congress has made says that your benefits will raise—rise based upon wage increases. If you were to say to the upper income folks, "Your benefits will raise—rise based upon inflation," you've gone a long way to solving the solvency problem. It sounds simple, but it basically means that poor people won't have to retire into poverty, and the wealthier people in America will get benefits that increase with the rate of inflation—for people born prior to 1950—I mean, after 1950.

That progressive indexing plan does a couple of things. One, I think it is an important principle to say to somebody who has been working all their life in a hard

job that you're not going to retire into poverty. America can make that promise, and it's a promise we ought to make for people. It makes sense. We want our people retiring with dignity. That's one way to make the Social Security system better.

But it also makes sense to say to somebody who doesn't think they're going to see any benefits anyway, "You're going to get benefits. They're just not going to grow quite as fast. They'll grow. They're going to be bigger—equal to or bigger than their previous generation. They're just not going to be quite as big as the Government promised you—that politicians promised you. They'll be bigger, but for the sake of solvency and permanency, if we don't do this, you're going to be saddled with a $200-billion-a-year bill in 2027." In other words, there's a reasonable approach that I'm confident that Congress, if it takes a look at, will see it is reasonable.

Now, we've got to come together and solve other problems to make sure we permanently solve the issue. I keep saying "permanently" because I remember in 1983 when President Reagan and Speaker O'Neill, in the spirit of bipartisanship, said, "We got a problem with Social Security," and they came together and said, "We're going to put out a 75-year fix." The problem is, we're now 22 years later, and that 75-year fix didn't stick. In other words, if we're going to sit down at the table, let's get it done forever. Let's say to a younger generation of Americans, we're going to permanently solve the Social Security issue so you can grow up with peace of mind.

I'm almost through. I think as we permanently fix the system, there's an opportunity—I know there's an opportunity to make the system a better deal for younger workers. And so I've asked Congress to consider this idea: Younger workers ought to be allowed to take some of their own payroll taxes, if they so choose, and set up a personal savings account. Some of the taxes will be in a—that they pay; after all, it's their money that they're paying—they ought to be allowed to take some of their money and set up a personal savings account.

Here are the benefits for doing that. One, the Government does a lousy job on getting a good rate of return on your money. As a matter of fact, people calculate that in the Social Security system you earn about 1.8 percent on your money. That's not a very good deal. You see, if you have a personal savings account, you could do a lot better than 1.8 percent. A conservative mix of bonds and stocks, you can get up to 7 or 8 percent. Four percent—if you're only in T-bills, you do better than 1.8 percent. And it's that difference in interest that, over time, compounds that means a lot.

In other words, if you start setting aside money, with a decent rate of return, it grows over time; it compounds. And it's that power of compound interest which younger workers ought to be allowed to take advantage of. But the system today doesn't let them take advantage of that.

So let me give you an example. If you're a 20-year-old mom earning $8 an hour over the career and you're allowed to take a third of your payroll taxes and put it in a conservative mix of bonds and stocks, by the time that person retires, she would have a $100,000 nest egg. See, that's the power of compound interest.

Here's another interesting example for you. Say you've got a child and that child decides to become a police force [policeman] *, marries a nurse. They're in the workplace in 2011, and they work their entire careers. They set aside money based upon the average salary of a policeman and nurse. By the time they retired at 65, they would have a $669,000 nest egg.

That's what money does when it grows. That's what happens, and people ought to be allowed to take advantage of that, if they choose. The Government is not saying, "You have to set up a personal retirement."

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* White House correction.

I fully understand some people might not feel comfortable about putting their money in bonds and stocks. I know that. That's why this is a personal savings account, a voluntary personal account. Government is not saying, "You must do this." They're saying, "If you so choose, you should be allowed to make that decision."

And a lot of people are going to make that decision. You know why? The world has changed when it comes to investors. We're about to talk to some young investors. I can assure you, when I was their age, I wasn't spending much time thinking about 401(k)s. They didn't exist. There wasn't a lot of talk about people running—you know, "How's your IRA doing?" They didn't exist. The whole notion of people being—entrusting people with their money and watching it grow is changing. The culture is changing. The investor class is no longer confined to just a few people. The investor class is varied, and we ought to have policies in place that encourage every American to become an owner and investor and watch their assets grow.

Laura said, "Don't get too long-winded," but it's not working. [*Laughter*] A couple of other points I want to make, the system is inherently unfair to some. If you and your spouse are working and both of you contributing in the Social Security system and one of you die early, when you turn 62, you get a choice to make. You can either take the benefits accrued in the Social Security system to you or to your husband but not both.

Think about that. Somebody has worked all their life, contributed to the system, dies early, and the money just disappears. That doesn't seem fair to me. That doesn't seem fair to me that fellow Americans working all his or her life, contributing in the system, and then dies early, and the surviving spouse gets a burial benefit and, at 62, gets the greater of the benefit structure but not both. It's not fair. If you allow a younger worker to set aside money and watch that asset base grow, you're really saying, "If something bad happens to you, you can pass that asset on to your surviving spouse." I like the idea of having—giving the capacity to a lot of people to be able to transfer assets from one generation to the next. That's what America is about.

Before we get to our panel, a couple of other points. One, you can't take your money and put it in the lottery. In other words, this isn't one of these deals where it's a—you can take it and put it in high-flyers. This is a retirement fund. This is a safety net. Therefore, there's going to be a conservative mix of bonds and stocks available for you to choose from. You can mix it up between bonds and stocks and T-bills any way you want, but you cannot take your money to the track. In other words, it's a safety net. There will be guidelines.

Secondly, there will be fee structures that are reasonable. Wall Street can't rip you off in this deal. I'm sure you've heard people say, "Oh, Bush's plan, it's going to give Wall Street a windfall." Wait a minute. There are all kinds of public retirement funds that exist around the country where the fee structures are reasonable managed. You'll be treated fairly.

Speaking about that, all kinds of retirement systems around, I don't know if you know this or not, but the United States Congress took a look at this idea in what's called the Thrift Savings Plan. That's the Federal savings plan. And they thought about maybe giving somebody the option of putting their money in a conservative mix of bonds and stocks because they—the people who vote on that must have recognized the power of compound interest. And guess what happened. They adopted a plan that says Members of the United States Congress, if they so choose, can take some of their own money and set it aside in a conservative portfolio of bonds and stocks. Here's my attitude about that—and it should be the attitude of the American people—if setting aside money so it can grow better in a conservative mix of bonds

and stocks is okay for United States Senators, it ought to be okay for workers all across America.

Ready to go? I think we're going to get something done. I really do. I think the American people understand we've got a problem. I think seniors are now beginning to understand all the scare tactics, all the propaganda, is just that. And they're going to get their checks. And finally, the final part of this equation is, there's a lot of young Americans who are beginning to pay attention to this issue and say, "Wait a minute. I'm not contributing hard-earned money into a system that's going broke, and I don't like what I hear, and I expect members of both political parties to set aside their parties and focus on the good of the United States of America."

I want to thank you all for coming. First, we're going to start off with Jeff Brown. Jeff is what we call an expert—right?

Jeffrey R. Brown. I'll take that description.

The President. That's right. Tell us what you do. This isn't the first time we've been together, by the way. He's a fine lad.

Dr. Brown. Thank you, Mr. President. I'm a professor—I don't know if I should admit it here, but I'm at the University of Illinois. And—[*laughter*].

The President. He's sensitive. [*Laughter*]

[*At this point, Dr. Brown, assistant professor, Department of Finance, University of Illinois at Urbana-Champaign, Champaign, IL, made further remarks.*]

The President. Are students paying attention to the issue?

Dr. Brown. They certainly are after they get done with my classes. [*Laughter*]

The President. Thanks, Jeff. Thanks for coming.

I like to remind people, he's a Ph.D., and I was a C student. [*Laughter*] I want you to take note of who's the President and who's the adviser. [*Laughter*]

Right, Bobby? Bobby Kraft. Welcome, Bobby.

Robert Kraft. Thank you, Mr. President.

The President. What do you do?

Mr. Kraft. I'm president and CEO of a printing and a mailing services company here in Milwaukee, First Edge Solutions.

The President. Started it?

Mr. Kraft. Yes, 2 years ago.

The President. Congratulations. Entrepreneurial spirit is strong.

Mr. Kraft. Thank you. I learned that from my chairman over there, my dad. He—his company opened first; there are 450 employees.

The President. Great, fantastic. You and your dad have got the same hairstyle, I notice. [*Laughter*]

Mr. Kraft. Absolutely.

The President. Yes. Sorry, Bobby.

Mr. Kraft. It's been tough. It's been real tough.

The President. Yes, yes. [*Laughter*] Anyway, how many employees you got?

Mr. Kraft. We have 20 full-time employees.

The President. Good. Add any last year?

Mr. Kraft. Yes, we did.

The President. Do you realize—it's a little off the subject, but 70 percent of new jobs in America are created by small-business entrepreneurs. And I want to thank you, Bobby, for being a small-business entrepreneur.

Mr. Kraft. Thank you, Mr. President.

The President. I asked the same question to—OnMilwaukee.com. They added some employees last year too. It's a good sign, young entrepreneurs taking risks, building businesses, and employing people.

Now, Bobby, tell me—you're here on Social Security.

Mr. Kraft. Correct.

The President. Why? Besides the fact you got invited, and you wanted to see the art museum. [*Laughter*]

Mr. Kraft. Before I got into printing, I did have a short stint as an investment adviser. And the first thing I learned getting

into the industry and studying all the financial books is that don't count on Social Security to be there. We take that same level of education, and we teach our employees that they need to take advantage of the 401(k) we put in place for them because of the fact, the way the Social Security system is set up, we cannot count on that to be here.

The President. Yes, let me stop you. Young guy sitting here in Milwaukee, Wisconsin, in front of the President, "Don't count on Social Security to be there." A lot of people feeling that way here in America. What I'm telling you is, if we can get the United States Congress to listen to you, we can put a plan in place to make sure Social Security is there.

Keep going, Bobby.

Mr. Kraft. Keep going?

The President. It's got to be a little depressing to be paying small-business rates, small-business payroll taxes into a system where you say, "It's not going to be there." That's not good Government—ask people to work hard, pay a payroll tax, and have people think—a lot of people think it's not going to be around. That's the problem. That's the issue. If you're a senior, you're going to get your check. Bobby is a little worried about his.

Keep going.

[*Mr. Kraft made further remarks.*]

The President. I appreciate that. So Bobby just said he's setting up a plan that says to his workers, you can watch your money grow. In other words, we want you to have a retirement system called a 401(k). Appreciate you setting it up.

But part of what we're talking about is an educational process. I understand that. You know, Bobby said some people going around the water cooler aren't so sure they want to take risks with the money. It's managed risk. It's certainly not an overwhelming risk. And my attitude about that is, if you're nervous about it, stay in the system. Stay in the system as is. If not, you'll get some Social Security benefits, but you're also going to get the benefit of owning your own money and watching it grow. And then when you retire, you'll have a nest egg—by the way, a nest egg that doesn't end up in a file cabinet in West Virginia, a nest egg you call your own that the United States Government cannot take away from you.

Keep going, Bobby.

Mr. Kraft. Okay, thank you. You know, really the disheartening thing for us as employers is talking to our employees who are working paycheck to paycheck at times and telling them that the percentage of tax that's being yanked from their check every time is going really to nowhere, and they're not able to grow it at all. And that's not fun to tell one of your employees that, that you can't count on that. Because we prefer to work on an optimistic basis, growing a company, being entrepreneurial, you take risks and you understand how to mitigate them. But at the same time, when you know that part of your employees' checks are going to be just going really to something that you can't count on, there's not a lot of confidence out there.

The President. I appreciate you. That's the problem. That's the issue. It's the issue confronting people in the Democrat Party, issue confronting people in the Republican Party. And the fundamental question in Washington, DC, is, is there the political will to do what's right, to answer the question Bobby just brought up, and that is, how can you look a worker in the eye and say, "You're working hard. You're contributing in a system that's going bankrupt." Now is the time to get after it and solve this problem once and for all.

Bobby, thanks for coming. Very articulate. Good luck in your business. Glad you're here.

Mr. Kraft. Thank you, Mr. President.

The President. Christy Paavola.

Christy Paavola. Yes.

The President. College senior.

Ms. Paavola. Yes, I am, at Concordia University, Wisconsin.

The President. Yes, actually, I've been there.

Ms. Paavola. Yes?

The President. Yes. It's a great place.

Ms. Paavola. We think so.

The President. Beautiful campus. So when will you graduate?

Ms. Paavola. May 2006.

The President. Got another year to go.

Ms. Paavola. Yes.

The President. Are you out of school now?

Ms. Paavola. What?

The President. I mean, summer—a little summer break.

Ms. Paavola. Yes. Yes, we just finished Friday.

The President. Good. Well, congratulations. All A's?

Ms. Paavola. Hopeful.

The President. Yes—[*laughter*]—"None of your business, Mr. President." [*Laughter*] What would you like to do upon graduation?

Ms. Paavola. I would like to teach in the Lutheran schools for the Lutheran Church, Missouri Synod.

The President. Awesome. Yes, good. Wants to be a teacher.

Ms. Paavola. Yes.

The President. Thanks for teaching. By the way, anybody who's looking for a way to contribute to society: Teach. And you don't have to be a classroom—you want to be a classroom teacher?

Ms. Paavola. Correct.

The President. Yes. You can mentor a child, by the way. That's teaching. You can help save a child's life by teaching him or her how to read. So I hope you do. Thanks for setting a good example.

Ms. Paavola. Thank you, Mr. President.

The President. So here you are, senior in college, sitting right next to the President of the United States. [*Laughter*]

Ms. Paavola. Yes. [*Laughter*]

The President. You got any thoughts about Social Security?

Ms. Paavola. Yes. I don't think it's going to be there when I retire, which is really scary.

The President. Interesting, isn't it? They took a survey amongst youngsters. Somebody explained to me, I didn't actually watch—see the survey, but I heard what the person said. He said more people are—that are Christy's age think they're more likely to see a UFO than get a Social Security check. [*Laughter*] Pretty frightening when you think about the fact that a lot of young people are going to be putting a lot of money into a system that may not be around. So we're sitting here with a senior in college saying, "I don't think the system is going to be around."

Got anything else you want to say?

Ms. Paavola. I really like the idea of personal savings accounts. I like the fact that I have control over my money, and I have the assurance of knowing that that money will be there when I retire.

The President. Yes, thanks. That's a pretty sophisticated point of view for a college senior. I appreciate it. I hope people your age are paying attention to the issue.

Ms. Paavola. Hopefully. It's an important issue.

The President. It's a huge issue. It's a huge issue when you think about working hard and putting payroll tax into a system that's going broke. Imagine that. Just say we just started anew, and I say, "All of you who want to contribute hard-earned money to a system that will be broke within 20 years, please raise your hand." Not a lot of contributors. You don't have the choice. But we've got a choice in Washington to do something about it. That's what the choice is, and I intend—[*applause*].

Now is your chance. All kinds of cameras. [*Laughter*]

[*Ms. Paavola made further remarks.*]

The President. There you go. Well, I appreciate you coming.

Ms. Paavola. Thank you very much.

The President. You did a heck of a job. You deserve an "A." You'll have to carry it over for next year, though.

Ms. Paavola. Okay.

The President. Good job. Thanks for coming.

Ms. Paavola. Thank you.

The President. Andrea Marton, welcome.

Andrea Marton. Thank you. It's an honor to be here, Mr. President.

The President. Andrea, just a little bit about yourself.

Ms. Marton. Well, first of all, I'm assistant director at a preschool in Germantown, Rainbows End.

The President. Good. Got a child?

Ms. Marton. Yes, I do. He's three, and it's one of the hardest jobs I've ever had to do.

The President. Yes. Listen, Andrea is a single mom. Being a single mom is the hardest job in America. And I want to thank you for being a good mom. So you go to work. How is it?

Ms. Marton. I love it. I love being with kids. I love improving the future, and they are the future.

The President. You bet.

Ms. Marton. I come from a long line of teachers.

The President. Do you really?

Ms. Marton. Yes. Both my parents are teachers, and my grandfather was a teacher.

The President. Are they here?

Ms. Marton. Yes, they are—my parents. Yes, they are.

The President. Right here in the audience?

Ms. Marton. Yes, over there.

Mr. Marton. You're doing great, Andrea!

The President. What did he say?

Ms. Marton. I'm doing great.

The President. I'm not going to comment about your hair. [*Laughter*] Thanks for coming.

So, tell me, the Social Security issue interests you?

Ms. Marton. Yes. Well, being a single mother and part of the working poor, it's very important for me to have something to rely on. And with the current system in place, we look down the road and it's not going to be there. And if it is there, it's going to be real slim.

The President. You paying payroll taxes?

Ms. Marton. Oh, you better believe it. [*Laughter*]

The President. Do you feel it?

Ms. Marton. I don't see it.

The President. But you feel it.

Ms. Marton. Oh, yes.

The President. Well, you see why—you see what would have been and what wasn't when you get your check stub, right?

Ms. Marton. Right, right, right. So, for me, to have the option and the choice to put my money into something that I will see in the future, you know, is just great.

The President. Yes, see, it's an interesting thought, isn't it? A single mom sitting here saying she wants to be—have the opportunity to take some of her payroll taxes—you called yourself the working poor?

Ms. Marton. Yes, I did.

The President. Well, I hope that doesn't stay that way. Keep working.

Ms. Marton. I hope not either.

The President. Yes. But the point is, is that this issue affects people from all walks of life, all income levels. But how about—I gave the example of a single mom working an $8 job all her life and is able to put aside a third of her payroll taxes and watch it grow in a reasonable rate of return. That person will end up with $100,000, coupled with a Social Security system that will have her benefits grow with wages.

And see—and then all of a sudden, Andrea is sitting there with $100,000 as part of her retirement plan that she can do with whatever she wants. In other words, you can use it for your retirement or drop it on the little one.

Ms. Marton. Exactly, and that's——

The President. The little guy.

Ms. Marton. Yes, Angelo is a big part of my life, and I want to make sure that not only my future is secure but his as well. And with this plan, I believe that it is a great option to put my money into a fund that will earn interest and will be there, and for the next 40 to 50 years that I work, I'm going to see it, because I deserve it.

The President. There you go. I couldn't have said it better myself. Thanks for coming.

Okay, finally, we've got Joel and Tonya Bruins.

Tonya Bruins. Hello.

The President. Fine, fine. Where do you all live?

Joel Bruins. Are you going to do the talking or do you want me to? [*Laughter*]

The President. It's like one of these couple talk show things, you know. [*Laughter*] What's your favorite color? Anyway—[*laughter*].

Mr. Bruins. We live in Brandon, Wisconsin. I'm a dairy farmer. I'm a partner with both my brother, John, and my dad, Bill, which you met last year.

The President. Yes.

Mr. Bruins. And my uncle, Cal. And the name of the farm is Homeland Dairy. We milk about 500 cows. And——

The President. What's your job?

Mr. Bruins. I take care of the cows. I'm the herdsman.

The President. Herdsman, good.

Mr. Bruins. So any breeding and reproduction and calves and anything dealing with the cattle is what I take care of.

The President. Good, good.

Mr. Bruins. And personnel, I guess, I get into sometimes too. To all the 15 employees, they keep you on your toes.

The President. That's good. It's a good-size operation?

Mr. Bruins. Yes, very—it's a very good-size operation.

The President. Great. Tonya, you work?

Mrs. Bruins. Yes, I work at the National Bank of Waupan. I'm in the bookkeeping department there, and I also take care of all the ACH processing for the bank.

The President. Good. So you're familiar with finances?

Mrs. Bruins. Right.

The President. Give me your thoughts on Social Security. Dairy farmer sitting there—I can presume dairy farmers think about Social Security.

[*Mr. Bruins made further remarks.*]

The President. We've got a farmer right here, with his wife, Tonya, set up an IRA. It's pretty interesting, isn't it? In other words, this notion about investing—people watching their money is pretty well filtering through most of society. "Roth" is kind of a fancy word for dealing with tax going in and coming out, right?

Mr. Bruins. Right.

The President. Anyway, so, you all watch your investments grow?

Mr. Bruins. We watch them, yes, we do.

The President. Make the decision?

Mr. Bruins. Yes, we have made the decisions on it.

The President. Tonya, do you want to say something?

Mrs. Bruins. I'm also—my profit sharing plan at the bank allows me to control where I—what funds I want to put my——

The President. So you've got choices? How does it work?

Mrs. Bruins. Right, yes. We've got 15 different funds we can choose to invest in. You know, if we want to keep it high risk or low risk, it's our decision.

The President. Yes, see, it's an interesting idea, isn't it? The bank she works for, a little country bank, says, "Wait a minute, we're going to trust our employees to be able to make a decision with their own money about what to put the money in, 15 different options." Was it hard to learn about how to do that?

Mrs. Bruins. They keep us very well-informed. They have people that come in

every year and advisers we can talk to and learn from them.

The President. Yes, we do—there are some pockets of financial illiteracy in our country, but there's nothing like solving financial illiteracy when you're watching—when you're making decisions for your own money. You start asking questions; there's advisers, there's people around to help you make a rational decision what to do with your own money. And a good way to learn is when you're watching your own money grow.

And so you get, what, quarterly statements, monthly statements?

Mrs. Bruins. Quarterly.

The President. Quarterly statements?

Mrs. Bruins. Yes.

The President. Open it right up, sit down at the kitchen table and say, "Look at the—look what's happening here."

Mrs. Bruins. Yes. We also have the option to change funds whenever we want to. We can check them online at any time as well.

The President. Sure. Think about that, though. It sounds pretty simple, but isn't it—doesn't it make sense to have people from all walks of life opening up a quarterly statement to watch their assets? It certainly makes you pay attention to the decision Government makes. It is, to me, a healthy America when more people are able to say, "I'm watching my own assets." I like it when more Americans are owning their own home, owning their own business, and managing their own retirement plans. It's good for this country to have that kind of—[*applause*].

You've got the mic.

[*Mr. Bruins made further remarks.*]

The President. Yes, I appreciate that. By the way, one way to make sure families stay on the farm is to insist that the United States Congress get rid of the death tax forever.

Listen, I hope you've enjoyed this as much as I. I want to thank you all for coming. Good job. I'm just beginning this debate. I'm going to spend whatever time it takes to continue traveling this country and make it absolutely clear to the people, we've got a problem.

I will continue to reassure seniors who are counting on their Social Security check, you have nothing to worry about. You're going to get your check. I don't care what the mailers say, what the advertisements say. You will get your check. That's the pledge this Government has made, and it's a pledge we'll keep.

And I'm going to continue reminding youngsters that they need to get involved in this issue because if the United States Congress does not act, we have saddled a young generation with an incredible burden. And I don't think that's right. I think now is the time for people in Washington, DC, to set aside partisanship and come together and solve this issue one time and for all, for the good of the United States of America.

Thank you all for coming, and God bless.

NOTE: The President spoke at 11:25 a.m. at the Milwaukee Art Museum. In his remarks, he referred to Dennis Kuester, chairman, and Tim Sheehy, president, Metropolitan Milwaukee Association of Commerce; David Gordon, director and chief executive officer, Milwaukee Art Museum; and Jeff Sherman, co-owner and president, and Andy Tarnoff, co-owner and publisher, OnMilwaukee.com.

Message to the Congress on Continuation of the National Emergency Protecting the Development Fund for Iraq and Certain Other Property in Which Iraq Has an Interest
May 19, 2005

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication. This notice states that the national emergency declared in Executive Order 13303 of May 22, 2003, as expanded in scope by Executive Order 13315 of August 28, 2003, modified in Executive Order 13350 of July 29, 2004, and further modified in Executive Order 13364 of November 29, 2004, is to continue in effect beyond May 22, 2005. The most recent notice continuing this emergency was published in the *Federal Register* on May 21, 2004 (69 *FR* 29409).

The threats of attachment or other judicial process against (i) the Development Fund for Iraq, (ii) Iraqi petroleum and petroleum products, and interests therein, and proceeds, obligations, or any financial instruments of any nature whatsoever arising from or related to the sale or marketing thereof, or (iii) any accounts, assets, investments, or any other property of any kind owned by, belonging to, or held by, on behalf of, or otherwise for the Central Bank of Iraq create obstacles to the orderly reconstruction of Iraq, the restoration and maintenance of peace and security in the country, and the development of political, administrative, and economic institutions in Iraq. Accordingly, these obstacles continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency protecting the Development Fund for Iraq, certain other property in which Iraq has an interest, and the Central Bank of Iraq, and to maintain in force the sanctions to respond to this threat.

GEORGE W. BUSH

The White House,
May 19, 2005.

NOTE: The notice is listed in Appendix D at the end of this volume.

Message to the Congress Transmitting the "2005 Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act"
May 19, 2005

To the Congress of the United States:

Consistent with title I of the Trade and Development Act of 2000, I am providing a report prepared by my Administration, the "2005 Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-

Saharan Africa and Implementation of the African Growth and Opportunity Act."

The White House,
May 19, 2005.

GEORGE W. BUSH

Remarks at the National Catholic Prayer Breakfast
May 20, 2005

Thank you for that warm reception, especially for a Methodist. [*Laughter*] It's an honor to be here at the second annual National Catholic Prayer Breakfast. This is a new tradition, yet its promises are timeless for Catholic Americans, to thank the Lord for the blessing of freedom, to renew our shared dedication to this great Republic, and to pray that America uses the gift of freedom to build a culture of life.

I am sorry that Laura is not here. You probably think she's preparing a couple of new one-liners. [*Laughter*] But in fact, she's winging her way to Jordan and Egypt and Israel to spread the freedom agenda. But I know if she were here, she would join me in thanking you and millions of others whom we'll never get to say thanks to in person for the countless prayers. It's an amazing experience to be the President of a nation where strangers from all religions pray for me and Laura. And I will tell you, it gives me such peace of mind and enables me to do my job much better when I'm lifted up in prayer. Thank you for your prayers.

I want to thank Leonard Leo for his kind introduction. I want to thank Joe Cella, the president of the National Catholic Prayer Breakfast. I want to thank His Eminence Cardinal Theodore McCarrick. What a fine man; what a beacon of hope. His Eminence shines brightly in the Nation's Capital.

I appreciate Archbishop Chaput of Denver. Thank you for being here, sir. I apologize to him for not being able to listen to his address. He said, "We're paying you a lot of money. Get back to work." [*Laughter*] Fortunately, he didn't say, "We're paying you too much money. Get back to work." [*Laughter*]

I appreciate Archbishop Gomez from the great State of Texas. Sister, thank you very much. Admiral, thank you very much, sir.

Carl Anderson, the Supreme—Knights of Columbus, is with us today. Carl, thank you for your friendship.

The Catholic contribution to American freedom goes back to the founding of our country. In 1790, a newly inaugurated George Washington, the first George W.—[*laughter*]—addressed a letter to all Catholics in America. He assured them that "your fellow citizens will not forget the patriotic part which you took in the accomplishment of their revolution." I'm honored to stand before you to offer my gratitude for the work American Catholic sons and daughters are doing for our Nation. This work includes the incredible acts of compassion through our faith-based institutions that help Americans in need, especially the Catholic schools that educate millions of our fellow citizens and deliver hope to inner-city children of all faiths.

This morning we first thank God for the shared blessings of American liberty. Catholics have always known that a society built on respect for the religious beliefs of others would be a land where they could achieve and prosper.

When the French writer de Tocqueville visited these shores back in the 1830s, he noted that the most democratic country in the world was also the one where the Catholic religion was making the most progress. He called Catholics the most

faithful believers in our land, yet also the most independent of citizens—[*laughter*]—as I've learned from dealing with Senator Santorum. [*Laughter*]

This morning we also reaffirm that freedom rests on the self-evident truths about human dignity. Pope Benedict XVI recently warned that when we forget these truths, we risk sliding into a dictatorship of relativism where we can no longer defend our values. Catholics and non-Catholics alike can take heart in the man who sits on the chair of Saint Peter, because he speaks with affection about the American model of liberty rooted in moral conviction.

This morning we pray for the many Catholics who serve America in the cause of freedom. One of them is an Army Chaplain named Tim Vakoc. He's a beloved priest who was seriously wounded in Iraq last May. We pray for his recovery; we're inspired by his sacrifice. In the finest tradition of American chaplains, he once told his sister, "The safest place for me to be is in the center of God's will, and if that is in the line of fire, that's where I'll be." Father Tim's sister, Anita Brand, and her family are with us today, and a grateful nation expresses our gratitude to a brave reverend.

Catholics have made sacrifices throughout American history because they understand that freedom is a divine gift that carries with it serious responsibilities. Among the greatest of these responsibilities is protecting the most vulnerable members of our society. That was the message that Pope John Paul II proclaimed so tirelessly throughout his own life, and it explains the remarkable outpouring of love for His Holiness at the funeral mass that Laura and I were privileged to attend in Rome. It explains why when the men were carrying his wooden casket up the stairs and they turned to show the casket to the millions that were there, that just as the casket crests, the sun shown for all to see.

The best way to honor this great champion of human freedom is to continue to build a culture of life where the strong protect the weak. So today I ask the prayers of all Catholics for America's continued trust in God's purpose, for the wisdom to do what's right, and for the strength and the conviction that so long as America remains faithful to its founding truths, America will always be free.

Thank you for allowing me to come. May God bless you all, and may God continue to bless America.

NOTE: The President spoke at 8:42 a.m. at the Washington Hilton Hotel. In his remarks, he referred to Leonard Leo, member of the board of directors, National Catholic Prayer Breakfast; Theodore E. Cardinal McCarrick, Archbishop of Washington; Charles J. Chaput, Archbishop of Denver; Jose H. Gomez, Archbishop of San Antonio; Sr. Margaret Mary Jerousek, Little Sisters of the Poor; Rear Adm. Louis V. Iasiello, USN, Chief of Navy Chaplains; and Carl A. Anderson, supreme knight, Knights of Columbus. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks Prior to Discussions With Prime Minister Anders Fogh Rasmussen of Denmark and an Exchange With Reporters
May 20, 2005

President Bush. The Prime Minister and I will be glad to answer two questions per side.

First, Mr. Prime Minister, welcome back. It is so wonderful to see you. He's a good friend of mine. Denmark is a good friend

of America. I appreciate your contributions to transatlantic ties. The Prime Minister has made very constructive and helpful comments to make sure that the transatlantic ties between the United States and Europe are strong. And I want to thank you for your leadership role.

I also appreciate your clear understanding about the historic times in which we live, times in which more and more people are becoming free. I appreciate your strong support for those who desire to live in a democracy in Iraq. I thank you for your contributions to a new democracy called Afghanistan. I thank you for your very constructive work in helping the Palestinians develop a democratic state that can live side by side with Israel in peace.

So welcome back. It's good to see you, sir.

Prime Minister Rasmussen. Thank you very much, Mr. President. I'm happy to be back in Washington. It's my fourth visit as Prime Minister, which underlines that the United States and Denmark are close friends and allies. We share the same fundamental values. We are allied in our efforts to promote freedom and democracy worldwide.

And I'm happy to say, in addition to this, that I appreciate very much your straightforward style. I consider you a friend, and I know that with you, I'll always have a very frank discussion and exchange of views. So I'm happy to be back.

President Bush. Fortunately, he's not that good a friend that I would go running with him. [*Laughter*] He's one of the best runners in the world, amongst the world leaders. Yes. He's a good one.

Deb [Deb Riechmann, Associated Press].

Stem Cell Research

Q. Mr. President, on stem cells, specifically, would you veto legislation that loosened the requirement on Federal funding for stem cell research? And secondly——

President Bush. Now——

Q. ——what's your reaction to the news about the South Koreans cloning an——

President Bush. I'm—first, I'm very concerned about cloning. I worry about a world in which cloning becomes acceptable. Secondly, I made my position very clear on embryonic stem cells. I'm a strong supporter of adult stem cell research, of course. But I made it very clear to the Congress that the use of Federal money, taxpayers' money to promote science which destroys life in order to save life is—I'm against that. And therefore, if the bill does that, I will veto it.

Investigations of Prisoner Abuse

Q. Mr. President, how do you react to the continuing reports about mistreatment of prisoners held by American military around the world, and also the perception abroad that the ones that are paying for it are low-ranking soldiers but that nobody higher up is taking any responsibility?

President Bush. I think the world ought to be—pay attention to the contrast between a society which was run by a brutal tyrant in which there was no transparency and a society in which the whole world watches a Government find the facts, lay the facts out for the citizens to see, and that punishment, when appropriate, be delivered.

If I'm not mistaken, I think about over 20 percent of the people thus far that have been held to account as a result of the Abu Ghraib issue have been officers. There have been over, I think, nine investigations, eight or nine investigations by independent investigators that have made the reports very public. I'm comfortable that we're getting to the bottom of the situation, and I know we're doing so in a transparent way. Obviously, ours is a country that respects human rights and human dignity, and if those rights and dignity have been denied, we will hold people to account.

Steve [Steve Holland, Reuters].

Spread of Freedom in the Middle East/War on Terror

Q. Sir, are you worried that the publication of the Saddam photo, along with the Newsweek story, will further inflame tensions and inspire the Iraq insurgency and anti-Americanism in the Middle East?

President Bush. No, I think the Iraq insurgency is inspired by their desire to stop the march of freedom. Remember, these are ideologues of—that murder innocent people in order to spread their dark vision of hate. And therefore, when light begins to show up in the form of democracy, it frightens them. There is no future for these haters in a free world. And so they're inspired by the fact that they see democracy emerging in Iraq. That's what causes them to want to kill. They're frightened by the fact—and inspired the wrong way, by the way—by the fact that Afghanistan is free. They're seeing the people in Lebanon demand free and fair elections. And their ideology cannot survive in a democratic society. See, the only way they can survive is to try to shake our will by killing innocent life.

And that's why our strategy in Iraq is to train the Iraqis so that they, themselves, can fight off these terrorists. Listen, 8½ million people went to the polls, in spite of the fact that the—people had been killed and there was incredible intimidation. And they defied the bombers. These people want to be free, and the killers don't want them to be free. And so our strategy is to help the Iraqis realize the dream of a free society. And when the Iraqi troops are properly trained—and we're headed in that direction—of course it will take less of a coalition effort to help this new democracy get started.

Yes, Steve.

Q. What about the Saddam photo? Does that have an impact——

President Bush. Well, you asked me whether or not that would inspire people. You know, I don't think a photo inspires murderers. I think they're inspired by an ideology that is so barbaric and backwards that it's hard for many in the Western world to comprehend how they think. But I would just remind people, if you want to know how ideologically grim their vision of the world is, just remember the Taliban. They said, "If you don't agree with our religious views, you'll be prosecuted. If you're a woman who seeks freedom, you'll be beaten." So these people are motivated by a vision of the world that is backward and barbaric.

Timetable for Troop Withdrawal From Iraq

Q. Mr. President, while the Danish people might support the war and appreciate the progress in Iraq, they're also curious when our soldiers will come back home. Can you elaborate on that?

President Bush. Well, I appreciate that question a lot, and of course I get asked that in our own country a lot. And my answer is, it makes no sense to set a timetable. And the reason why is, is because it will allow an enemy to adjust.

On the other hand, as I tell our folks, is that we would like to get our troops out as quickly as possible. And the definition of that will be how soon our commanders on the ground think that the Iraqis are able to take the fight to the enemy.

I just got off of a video—which I'm looking to briefing the Prime Minister on—with General Casey, who is our general on the ground; he's the commander of the coalition forces. And he was describing to us the Iraqi training and the quality of training. And some units are in really good shape, and other units need additional work. But one of the things that's important to understand is the Iraqi Government understands that as civilian governments change, there needs to be stability in the military and a chain of command that links top to bottom. And General Casey knows we're making progress toward establishing that chain of command.

My answer to the Danish people is, as soon as we can possibly get it done. We've got to complete the mission. A free Iraq in the midst of the Middle East is going to be a powerful—a powerful agent for peace.

Listen, thank you all for coming.

Q. One more?

President Bush. We don't want to break precedent. Was that you, Mark [Mark Knoller, CBS Radio], who asked that?

Q. It was.

President Bush. No. [*Laughter*] You know better than that.

NOTE: The President spoke at 10:48 a.m. in the Oval Office at the White House. In his remarks, he referred to former President Saddam Hussein of Iraq; and Gen. George W. Casey, Jr., USA, commanding general, Multi-National Force—Iraq. A portion of these remarks could not be verified because the tape was incomplete.

Remarks Prior to Discussions With Prime Minister Konstandinos Karamanlis of Greece
May 20, 2005

President Bush. Thank you all for coming. It's my pleasure to welcome the Prime Minister back. It's good to see you, sir.

America and Greece have got a strategic partnership. That's important. It's important for our respective peoples, and it's important we work together to spread freedom and peace.

I want to welcome you here. Last time you were here, we were talking about the Olympics. I told the Prime Minister I was confident that the Government would make sure the Olympics were secure. I was so confident I sent my family. And not only did you keep your word, my parents and my—some of my relatives had a fabulous time in a spectacular country.

I look forward to visiting with you on a variety of subjects, the freedom agenda, freedom in the greater Middle East, the Balkans. I look forward to talking to you about how best we can work together to continue to spread liberty. So I'm proud you're here, and welcome to the United States.

Prime Minister Karamanlis. Well, it's my second visit to President Bush within almost a year. And I'm happy to say that this reflects the excellent bilateral relations we have and, of course, our determination to further our partnership to promote the areas of mutual interest, the common goals we have. And I think that it's going to be the outcome of this meeting as well to keep working closely in matters which are very important to both of us in both countries.

President Bush. Good man. Thank you all.

NOTE: The President spoke at 1:14 p.m. in the Oval Office at the White House. A portion of these remarks could not be verified because the tape was incomplete.

Message on the Observance of Cuban Independence Day, 2005
May 20, 2005

I send greetings to those celebrating the 103rd anniversary of Cuban Independence.

Freedom is the birthright of all mankind. Leaders across the Americas understand that the hope for peace in our world depends on the unity of free nations. America's continued support of democratic institutions, constitutional processes, and basic liberties gives hope and strength to those struggling in our hemisphere to reclaim the rule of law and their God-given rights. As we observe Cuba's independence today, we look forward to the day when Cuba is free, and my Administration supports efforts to hasten that day's coming. The tide of freedom is spreading across the globe, and it will reach Cuban shores. No tyrant can stand forever against the power of liberty because the hope of freedom is found in every heart.

This milestone is an opportunity to celebrate the Cuban culture and the many contributions Cuban Americans have made to the United States. By sharing your proud history with all Americans, you enrich our society and contribute to the diversity that makes our Nation great.

May God bless the Cuban people.

GEORGE W. BUSH

NOTE: An original was not available for verification of the content of this message.

Letter to Congressional Leaders Reporting on Deployment of United States Combat-Equipped Armed Forces Around the World
May 20, 2005

Dear Mr. Speaker: (Dear Mr. President:)

I am providing this supplemental consolidated report, prepared by my Administration and consistent with the War Powers Resolution (Public Law 93–148), as part of my efforts to keep the Congress informed about deployments of U.S. combat-equipped armed forces around the world. This supplemental report covers operations in support of the global war on terrorism, Kosovo, and Bosnia and Herzegovina.

The Global War on Terrorism

Since September 24, 2001, I have reported, consistent with Public Law 107–40 and the War Powers Resolution, on the combat operations in Afghanistan against al-Qaida terrorists and their Taliban supporters, which began on October 7, 2001, and the deployment of various combat-equipped and combat-support forces to a number of locations in the Central, Pacific, and Southern Command areas of operation in support of those operations and of other operations in our global war on terrorism.

I will direct additional measures as necessary in the exercise of the U.S. right to self-defense and to protect U.S. citizens and interests. Such measures may include short-notice deployments of special operations and other forces for sensitive operations in various locations throughout the world. It is not possible to know at this time either the precise scope or duration of the deployment of U.S. Armed Forces necessary to counter the terrorist threat to the United States.

United States Armed Forces, with the assistance of numerous coalition partners, continue to conduct the U.S. campaign to pursue al-Qaida terrorists and to eliminate support to al-Qaida.

These operations have been successful in seriously degrading al-Qaida's training capabilities. United States Armed Forces, with the assistance of numerous coalition partners, ended the Taliban regime in Afghanistan and are actively pursuing and engaging remnant al-Qaida and Taliban fighters. Approximately 90 U.S. personnel are also assigned to the International Security Assistance Force (ISAF) in Afghanistan. The U.N. Security Council authorized the ISAF in U.N. Security Council Resolution 1386 of December 20, 2001, and has reaffirmed its authorization since that time, most recently, for a 12-month period from October 13, 2004, in U.N. Security Council Resolution 1563 of September 13, 2004. The mission of the ISAF under NATO command is to assist the Government of Afghanistan in creating a safe and secure environment that allows reconstruction and the reestablishment of Afghan authorities. Currently, all 26 NATO nations contribute to the ISAF. Ten non-NATO contributing countries also participate by providing military and other support personnel to the ISAF.

The United States continues to detain several hundred al-Qaida and Taliban fighters who are believed to pose a continuing threat to the United States and its interests. The combat-equipped and combat-support forces deployed to Naval Base, Guantanamo Bay, Cuba, in the U.S. Southern Command area of operations since January 2002 continue to conduct secure detention operations for the approximately 520 enemy combatants at Guantanamo Bay.

The U.N. Security Council authorized a Multinational Force (MNF) in Iraq under unified command in U.N. Security Council Resolution 1511 of October 16, 2003, and reaffirmed its authorization in U.N. Security Council Resolution 1546 of June 8, 2004, noting the Iraqi Interim Government's request to retain the presence of the MNF. Under U.N. Security Council Resolution 1546, the mission of the MNF is to contribute to the security and stability in Iraq, as reconstruction continues, until the completion of Iraq's political transformation. These contributions include assisting in building the capability of the Iraqi security forces and institutions, as the Iraqi people, represented by the Transitional National Assembly, draft a constitution and establish a constitutionally elected government. The U.S. contribution to the MNF is approximately 139,000 military personnel.

In furtherance of our efforts against terrorists who pose a continuing and imminent threat to the United States, our friends and allies, and our forces abroad, the United States continues to work with friends and allies in areas around the globe. United States combat-equipped and combat-support forces are located in the Horn of Africa region, and the U.S. forces headquarters element in Djibouti provides command and control support as necessary for military operations against al-Qaida and other international terrorists in the Horn of Africa region, including Yemen. These forces also assist in enhancing counterterrorism capabilities in Kenya, Ethiopia, Yemen, Eritrea, and Djibouti. In addition, the United States continues to conduct maritime interception operations on the high seas in the areas of responsibility of all of the geographic combatant commanders. These maritime operations have the responsibility to stop the movement, arming, or financing of international terrorists.

NATO-Led Kosovo Force (KFOR)

As noted in previous reports regarding U.S. contributions in support of peacekeeping efforts in Kosovo, the U.N. Security Council authorized Member States to establish KFOR in U.N. Security Council Resolution 1244 of June 10, 1999. The mission of KFOR is to provide an international security presence in order to deter renewed hostilities; verify and, if necessary, enforce the terms of the Military Technical Agreement between NATO and the Federal Republic of Yugoslavia (which is now Serbia and Montenegro); enforce the terms of the

Undertaking on Demilitarization and Transformation of the former Kosovo Liberation Army; provide day-to-day operational direction to the Kosovo Protection Corps; and maintain a safe and secure environment to facilitate the work of the U.N. Interim Administration Mission in Kosovo (UNMIK).

Currently, there are 23 NATO nations contributing to KFOR. Eleven non-NATO contributing countries also participate by providing military personnel and other support personnel to KFOR. The U.S. contribution to KFOR in Kosovo is about 1,700 U.S. military personnel, or approximately 10 per-cent of KFOR's total strength of approximately 17,000 personnel. Additionally, U.S. military personnel occasionally operate from Macedonia, Albania, and Greece in support of KFOR operations.

The U.S. forces have been assigned to a sector principally centered around Gnjilane in the eastern region of Kosovo. For U.S. KFOR forces, as for KFOR generally, maintaining a safe and secure environment remains the primary military task. The KFOR operates under NATO command and control and rules of engagement. The KFOR coordinates with and supports UNMIK at most levels; provides a security presence in towns, villages, and the countryside; and organizes checkpoints and patrols in key areas to provide security, protect minorities, resolve disputes, and help instill in the community a feeling of confidence.

In accordance with U.N. Security Council Resolution 1244, UNMIK continues to transfer additional competencies to the Kosovar Provisional Institutions of Self-Government, which includes the President, Prime Minister, multiple ministries, and the Kosovo Assembly. The UNMIK retains ultimate authority in some sensitive areas such as police, justice, and ethnic minority affairs.

NATO continues formally to review KFOR's mission at 6-month intervals. These reviews provide a basis for assessing current force levels, future requirements, force structure, force reductions, and the eventual withdrawal of KFOR. NATO has adopted the Joint Operations Area plan to regionalize and rationalize its force structure in the Balkans. The UNMIK international police and the Kosovo Police Service (KPS) have full responsibility for public safety and policing throughout Kosovo except in the area of South Mitrovica, where KFOR and UNMIK share this responsibility due to security concerns. The UNMIK international police and KPS also have begun to assume responsibility for guarding patrimonial sites and established border-crossing checkpoints. The KFOR augments security in particularly sensitive areas or in response to particular threats as needed.

NATO Headquarters-Sarajevo in Bosnia and Herzegovina

Pursuant to the June 2004 decision made by NATO Heads of State and Government, and in accordance with U.N. Security Council Resolution 1575 of November 22, 2004, NATO concluded its Stabilization Force (SFOR) operations in Bosnia and Herzegovina and established NATO Headquarters-Sarajevo to continue to assist in implementing the Peace Agreement in conjunction with a newly established European Force (EUFOR). NATO Headquarters-Sarajevo, to which approximately 235 U.S. personnel are assigned, is, with EUFOR, the legal successor to SFOR. The principal tasks of NATO Headquarters-Sarajevo are providing advice on defense reform and performing operational supporting tasks, such as counterterrorism and supporting the International Criminal Tribunal for the Former Yugoslavia.

I have directed the participation of U.S. Armed Forces in all of these operations pursuant to my constitutional authority to conduct U.S. foreign relations and as Commander in Chief and Chief Executive. Officials of my Administration and I communicate regularly with the leadership and other Members of Congress with regard to

these deployments, and we will continue to do so.

Sincerely,

GEORGE W. BUSH

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Ted Stevens, President pro tempore of the Senate.

The President's Radio Address
May 21, 2005

Good morning. Today I can report to you that we are making good progress in advancing the cause of freedom, defeating the forces of terror, and transforming our military so we can meet the emerging threats of the 21st century. As I speak, Laura is in the Middle East to help advance the freedom agenda, and her message is a powerful one, that by working together for liberty, we will create a future of peace and opportunity for women and men worldwide.

On Monday, I will meet Afghan President Hamid Karzai at the White House to discuss freedom's remarkable progress in his nation. Afghanistan now has a constitution and an elected President, and its citizens will return to the polls this September to elect provincial councils in the lower house of the National Assembly. We're helping Afghanistan's elected government solidify these democratic gains and deliver real change. A nation that once knew only the terror of the Taliban is now seeing a rebirth of freedom, and we will help them succeed.

Terrorists know that there is no room for them as freedom takes root in the broader Middle East, so they are fighting to stop its progress. But in recent weeks, we have dealt them a series of devastating blows. In Afghanistan, we have brought to justice dozens of terrorists and insurgents. In Pakistan, one of Usama bin Laden's senior terrorist leaders, a man named al-Libbi, was brought to justice. In Iraq, we captured two deputies of the terrorist Zarqawi, and our forces have killed or captured hundreds of terrorists and insurgents near the Syrian border.

Our strategy is clear: We will fight the terrorists abroad so we do not have to face them here at home. While some difficult days still lie ahead, these recent victories are making America safer and the world more secure.

As we make progress against today's enemies, we are also transforming our military to defeat the enemies we might face in the decades ahead. On Friday, I will speak to future leaders of our military who are graduating from the U.S. Naval Academy about how we are making our Armed Forces faster, more agile, and more lethal.

To deal with the emerging threats of the 21st century, we are building a military that can deploy rapidly and deliver more firepower with fewer forward-deployed forces. However, much of our military is still deployed in ways that reflect the threats of the cold war. So last summer, I announced a plan to reposition our forces over the next decade. This shift will bring home 60 to 70,000 uniformed personnel, while still maintaining a significant overseas presence. It will also allow us to reduce the stress on our military families and make the best overall use of our resources. In the months and years ahead, we will continue to do what is necessary to prepare our Armed Forces to protect the American people in this new century.

The war on terror continues, and we are making solid progress, but we must not become complacent. We will continue to pursue terrorists abroad. We will continue to

support democratic change throughout the world, including in Afghanistan, Iraq, and the broader Middle East. And we will do whatever it takes to support our men and women in uniform and give them the tools they need to prevail.

Thank you for listening.

NOTE: The address was recorded at 7:35 a.m. on May 20 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on May 21. The transcript was made available by the Office of the Press Secretary on May 20 but was embargoed for release until the broadcast. In his address, the President referred to President Hamid Karzai of Afghanistan; Usama bin Laden, leader of the Al Qaida terrorist organization; Abu Faraj al-Libbi, senior Al Qaida associate arrested in Pakistan on April 30; and senior Al Qaida associate Abu Musab Al Zarqawi. The Office of the Press Secretary also released a Spanish language transcript of this address.

Commencement Address at Calvin College in Grand Rapids, Michigan
May 21, 2005

Thank you, President Byker, members of the Calvin faculty, distinguished guests, parents, friends, family, and most importantly, the class of 2005.

Thanks for having me. I was excited to come back to Calvin, and I was just telling Laura the other night about what fun it would be to come to Calvin College. I said, "You know, Laura, I love being around so many young folks. You know, it gives me a chance to relive my glory days in academia." [*Laughter*] She said, "George, that's not exactly how I would describe your college experience." [*Laughter*] She also said one other thing I think the graduates will appreciate hearing, a good piece of advice. She said, "The folks here are here to get their diploma, not to hear from an old guy go on too long." [*Laughter*] So with that sage advice, here goes.

I bring a great message of hope and freedom to Calvin College class of 2005: There is life after Professor Vanden Bosch and English 101. [*Laughter*] Someday you will appreciate the grammar and verbal skills you learned here. [*Laughter*] And if any of you wonder how far a mastery of the English language can take you, just look what it did for me. [*Laughter*]

I thank the moms and dads here for your sacrifice and for your love. I want to thank the faculty for your hard work and dedication. And again, I congratulate the class of 2005. Soon you will collect your degrees and say goodbyes to a school that has been your home, and you will take your rightful place in a country that offers you the greatest freedom and opportunity on Earth. I ask that you use what you've learned to make your own contributions to the story of American freedom.

The immigrants who founded Calvin College came to America for the freedom to worship, and they built this great school on the sturdy ground of liberty. They saw in the American experiment the world's best hope for freedom, and they weren't the only ones excited by what they saw. In 1835, a young civil servant and aristocrat from France named Alexis de Tocqueville would publish a book about America that still resonates today.

The book is called "Democracy in America," and in it this young Frenchman said that the secret to America's success was our talent for bringing people together for the common good. De Tocqueville wrote that tyrants maintained their power by "isolating" their citizens and that Americans

guaranteed their freedom by their remarkable ability to band together without any direction from government. The America he described offered the world something it had never seen before, a working model of a thriving democracy where opportunity was unbounded, where virtue was strong, and where citizens took responsibility for their neighbors.

Tocqueville's account is not just the observations of one man; it is the story of our founding. It is not just a description of America at a point in time; it is an agenda for our time. Our Founders rejected both a radical individualism that makes no room for others and the dreary collectivism that crushes the individual. They gave us instead a society where individual freedom is anchored in communities. And in this hopeful new century, we have a great goal, to renew this spirit of community and thereby renew the character and compassion of our country.

First, we must understand that the character of our citizens is essential to society. In a free and compassionate society, the public good depends on private character. That character is formed and shaped in institutions like family, faith, and the many civil and—social and civic organizations, from the Boy Scouts to the Rotary Clubs. The future success of our Nation depends on our ability to understand the difference between right and wrong and to have the strength of character to make the right choices. Government cannot create character, but it can and should respect and support the institutions that do.

Second, we must understand the importance of keeping power close to the people. Local people know local problems; they know the names and faces of their neighbors. The heart and soul of America is in our local communities; it is in the citizen school boards that determine how our children are educated; it's in the city councils and State legislators that reflect the unique needs and priorities of the people they serve; it's in the volunteer groups that transform towns and cities into caring communities and neighborhoods. In the years to come, I hope that you'll consider joining these associations or serving in government, because when you come together to serve a cause greater than yourself, you will energize your communities and you will help build a more just and compassionate America.

Finally, we must understand that it is by becoming active in our communities that we move beyond our narrow interests. In today's complex world, there are a lot of things that pull us apart. We need to support and encourage the institutions and pursuits that bring us together. And we learn how to come together by participating in our churches and temples and mosques and synagogues, in civil rights associations, in our PTAs and Jaycees, in our gardening and book clubs, interest groups, and chambers of commerce, in our service groups from soup kitchens to homeless shelters.

All these organizations promote the spirit of community and help us acquire the "habits of heart" that are so vital to a free society. And because one of the deepest values of our country is compassion, we must never turn away from any citizen who feels isolated from the opportunities of America. Our faith-based and community groups provide the armies of compassion that help people who wonder if the American Dream is meant for them. These armies of compassion are the great engines of social change. They serve individual and local needs, and they have been found at the front of every great movement in American history.

The history of forming associations dedicated to serving others is as old as America, itself. From abolition societies and suffrage movements to immigrant aid groups and prison reform ministries, America's social entrepreneurs have often been far ahead of our Government in identifying and meeting the needs of our fellow countrymen. Because they are closer to the people they

serve, our faith-based and community organizations deliver better results than Government. And they have a human touch: When a person in need knocks on the door of a faith-based or community organization, he or she is welcomed as a brother or a sister.

No one understood this better than another 19th century visitor to America whose name is well known to Calvin College, Abraham Kuyper. Kuyper was a Dutchman who would be elected his nation's Prime Minister, and he knew all about the importance of associations because he founded so many of them, including two newspapers, a political party, and a university. Kuyper contrasted the humanizing influence of independent social institutions with the "mechanical character of government." And in a famous speech right here in Grand Rapids, he urged Dutch immigrants to resist the temptation to retreat behind their own walls. He told them to go out into their adopted America and make a true difference as true Christian citizens.

Our Government is encouraging all Americans to make a difference through our Faith-Based and Community Initiative. We're mobilizing Americans to volunteer through the USA Freedom Corps. We'll do our part, but ultimately, service is up to you. It is your choice to make. As your generation takes its place in the world, all of you must make this decision: Will you be a spectator or a citizen? To make a difference in this world, you must be involved. By serving a higher calling here or abroad, you'll make your lives richer and build a more hopeful future for our world.

At Calvin College, you take this call to service to heart. You serve as "agents of renewal" across the Earth. You volunteer for Big Brothers/Big Sisters to mentor young people. You work at Bethany Christian Services here in Grand Rapids, one of the best known adoption services in America. A former Calvin student and professor, Vern Ehlers, serves in the Halls of Congress. As the class of 2005 goes out into the world, I ask you to embrace this tradition of service and help set an example for all Americans. As Americans, we share an agenda that calls us to action, a great responsibility to serve and love others, a responsibility that goes back to the greatest commandment.

This isn't a Democratic idea. This isn't a Republican idea. This is an American idea. It has sustained our Nation's liberty for more than 200 years. The Founders knew that too much Government leads to oppression but that too little Government can leave us helpless and alone. So they built a free society with many roots in community. And to keep the tree of liberty standing tall in the century before us, you must nourish those roots.

Today, the Calvin class of 2005 looks out on an America that continues to be defined by the promise of our Declaration of Independence. We're still the Nation our Founders imagined, where individual freedom and opportunity is unbounded, where community is vibrant, where compassion keeps us from resting until all our citizens take their place at the banquet of freedom and equality. And with your help, we'll all do our part to transform our great land one person and one community at a time.

Thank you for having me. May God bless you, and may God continue to bless our country.

NOTE: The President spoke at 2:15 p.m. at the Calvin College Fieldhouse. In his remarks, he referred to Gaylen J. Byker, president, Calvin College.

The President's News Conference With President Hamid Karzai of Afghanistan
May 23, 2005

President Bush. Thank you. Welcome. Mr. President, welcome back to the White House. I am honored to stand by the first democratically elected leader in the 5,000-year history of Afghanistan. Congratulations.

President Karzai. Thank you, sir. Thank you very much.

President Bush. I want to thank you for your friendship and your commitment to freedom. I especially want to thank you for being such a wonderful host to my wife, Laura. She came back overwhelmed by the experience, touched by the people she met, and optimistic about the future for your country. So thanks for being a good host, and thanks for being such a fine inspiration to not only the people of your country but showing the countries in your neighborhood what's possible.

Your leadership has been strong, and it's in our interests that Afghanistan be free. Afghanistan is no longer a safe haven for terrorists. Afghanistan is a key partner in the global war on terror. Our troops have fought and will continue to fight side by side to defeat the few who want to stop the ambitions of the many.

President Karzai. Exactly.

President Bush. Increasing numbers of low-level Taliban are getting the message that Afghanistan's society is peaceful and optimistic, and I appreciate your efforts to reach out to the low-level members of the Taliban. I am impressed by the progress that you're making toward a market economy and a full-fledged democracy.

One of the things that's very important, that is—a shift of opinion is taking place where now women are equal partners in society. Over 40 percent of the voters in that October day were women voters. Girls are now going to school. Women entrepreneurs are opening businesses. The President was telling me that there's quite a number of candidates who've filed for the upcoming legislative elections who are women. The model, the example being set by Afghanistan in that part of the world is an important message, because you can't have a free and hopeful society unless women are full participants in the society.

And so Mr. President, thank you for your leadership. We're looking forward to watching and helping make sure these elections go forward in a peaceful manner. It's a—the number of candidates that—who have filed are—is quite impressive. I think you maybe told me over 5,000?

President Karzai. Over 5,000.

President Bush. Yes, 5,000 people have filed for office. It's a—democracy is flourishing.

We spent a lot of time talking about the challenges we continue to face. Our objective is to continue to train the Afghan army so that they're capable of defeating the terrorists. However, today, it's important for the Afghan people to understand that we have a strategic vision about our relationship with Afghanistan.

I've signed a strategic partnership with the President. It's a partnership that we've been working on for quite awhile. It's a partnership that establishes regular high-level exchanges on political security and economic interests of—economic issues of mutual interests. We will consult with Afghanistan if it perceives its territorial integrity, independence, or security is at risk. We will help the Afghan people build strong, lasting government and civic institutions. We'll continue to support reconstruction, economic development, and investments that will help educate and build the skills of the Afghan people.

I've got great faith in the future in Afghanistan. First, I've got great faith in the

ability of democracy to provide hope. And I've got faith in this man as a leader. He has shown tremendous courage in the face of difficult odds. He's been a strong leader. He's a good friend to our country. And Mr. President, it's my honor to welcome you back here. Congratulations.

President Karzai. Thank you very much. My turn?

President Bush. Your turn. [*Laughter*]

President Karzai. Mr. President——

President Bush. Don't give these an opening; they'll jump in there at a moment's notice. [*Laughter*]

President Karzai. Mr. President, it's a great pleasure and privilege to be visiting the United States again, to be visiting you in the White House with the usual warmth and hospitality. I was in Boston yesterday, meeting with all the students on their commencement day. I was given an honorary degree, which was a great honor for me, and received tremendous warmth there as well.

The United States has been the country with whose help we have rebuilt our country—are in the process of rebuilding our country. And you have been at the forefront of that effort with us in Afghanistan and in the rest of the world. I'm here today to thank you, Mr. President, once again for your leadership in providing Afghanistan the security, the reconstruction, and the freedoms that the Afghan people have today.

You cannot imagine, Mr. President, and I cannot tell you that in a few words—there are so many words, it has to take a much longer time for me to describe to you what Afghanistan was going through 3 years ago. So it's difficult to say, and I'm sometimes—rather often—neither our press nor your press nor the press in the rest of the world pick up the miseries of the Afghans 3 years ago and what has been achieved since then, until today. We have a constitution. We had a Presidential election, and I'm glad it turned out to be good for me. [*Laughter*]

President Bush. I know how you feel. [*Laughter*]

President Karzai. Yes, well—[*laughter*]—I believe we share that feeling, yes. And we are going to have a parliamentary election in 3 months' time. And I just informed the President that we have, as of yesterday—as of the day before yesterday, over 5,000 candidates for the National Assembly and for the provincial assemblies. There are women from all the provinces of the country will be coming to the Parliament. So the country is moving forward.

We have been talking with your officials in Afghanistan and have conveyed to you through your Embassy and Government the desire of the Afghan people to have a strategic partnership with America, because after the completion of the parliamentary elections, the Bonn process will come to an end. From that point onward, we would like the world to recognize that with the completion of the Bonn process and the arrival of the Afghan Parliament, Afghanistan will not suddenly stand on its own feet. Politically, we will have done the process—politically, we will have completed the process, but in terms of the institutional strength, Afghanistan will continue to need a lot of support.

And I'm glad that you signed with me today a memorandum of understanding on the long-term partnership between Afghanistan and the United States of America, which will make sure that Afghanistan continues to receive reconstruction assistance, which will make sure that Afghanistan continues to receive training from the U.S. for its military and the police, and which will enable Afghanistan to stand on its own feet eventually and be a good, active member of the region, contributing to peace and stability in the region, and be a bridge between various parts of that part of the world for trade and values.

Mr. President, I'm here today to thank you for all that you have done for Afghanistan. And we are very, very happy. We are grateful. You sent the Vice President

of the United States to come and attend the Inauguration in Afghanistan. It was a tremendous honor for us to receive him there, to have him there. It was the manifestation of the commitment of the United States and yourself to the Afghan people to have that day attended by the Vice President. And we are very, very happy, more importantly, to have had the First Lady to visit us in Afghanistan. We were thrilled. The Afghan women were thrilled. The Afghan society was thrilled. And now you guess whose turn it is now to come to Afghanistan. [*Laughter*] So we'll be hoping to receive you there very soon.

President Bush. Thank you for the invitation. [*Laughter*]

President Karzai. The country is much greener than it was in the past few years. I thank you once again for receiving us here and for the support you've given to us all along and will continue to do so. Thank you.

President Bush. Thank you, Mr. President. Of course, I don't want to correct my friend, but I must. In thanking me, you're really thanking the American people.

President Karzai. Of course.

President Bush. And the American people are most impressed by the progress you've made, Mr. President, and it's progress that we look forward to working with you so that you can continue to make progress.

And in the spirit of free press, we'll answer a couple of questions.

President Karzai. Yes, we all know that, yes. [*Laughter*]

President Bush. Hunt [Terence Hunt, Associated Press].

Afghanistan-U.S. Cooperation

Q. Thank you, Mr. President. Mr. President, will you give the Karzai Government custody of Afghan citizens detained by the United States? And are you willing to give Afghanistan more say in U.S. military matters in their country?

And to President Karzai, did you discuss the prisoner abuse at Bagram issue with the President?

President Bush. First, in terms of more say over our military, our relationship is one of cooperate and consult. Of course our troops will respond to U.S. commanders, but our U.S. commanders and our diplomatic mission there is in a consultative relationship with the Government. It's a free society. There is a democratically elected Government. They've invited us in, and we'll consult with them in terms of how to achieve mutual goals, and that is to rout out the remnants of Al Qaida, to deal with those folks who would come and like to create harm to U.S. citizens and/or Afghan citizens.

I must say the Afghan military is making great progress. It hasn't been all that long ago that we started a training mission. Now there's over 25,000 troops who are trained and ready to fight, and they take the fight to these thugs that are coming across the border to create havoc. And we've got another, I think, 22,000 to train to get this army fully stood up. Our mission in Afghanistan and Iraq is the same. I mean, we want these new democracies to be able to defend themselves. And so we will continue to work with the Afghans to train them and to cooperate and consult with the Government.

The other aspect of the question?

Afghan Detainees in Guantanamo/Prisoner Abuse

Q. The prisoners who——

President Bush. Oh, the prisoners, yes. Our policy, as you know, has been to work our way through those who are being held in Guantanamo and send them back to the host countries, and we will do so over time, with the Afghan Government. Part of the issue is to make sure there is a place where the prisoners can be held. As I explained to the President, that our policy is, one, where we want the people to be sent home,

but, two, we've got to make sure the facilities are there—facilities where these people can be housed and fed and guarded.

Now, you asked about the prison—yes, he did bring up the prison abuse.

President Karzai. On the question of the prisoner abuse, we are, of course, sad about that. But let me make sure that you all know that that does not reflect on the American people.

Right now in Afghanistan there is an Italian lady that has been kidnaped by an Afghan man, while there are hundreds of Afghan women demonstrating outside in the streets of Kabul demanding the release of that woman, the Italian lady. So the prisoner abuse thing is not at all a thing that we attribute to anybody else but those individuals.

The Afghan people are grateful, very, very much to the American people. They recognize that individual acts do not reflect either on governments or on societies. These things happen everywhere. As we are sad, we recognize that the American people, kind as they are to Afghanistan, have nothing to do with that.

And I'm glad to tell you that I was reading today somewhere that one of those persons has been given a sentence of prison for 3 months and removed from his job, and that's a good thing. We, I must repeat strongly, are fully aware of the tremendously good values of the American people and of their kind attitude toward us and others in this world.

Thank you.

President Bush. Somebody from the Afghan press?

President Karzai. Anybody from the Afghan press? Do we have an Afghan press? Oh, here he is. [*Laughter*]

[*At this point, a question was asked in Dari and was translated as follows.*]

Afghan Economic Development/Opium

Interpreter. This question is for President Bush. Question was, besides security and military assistance, Afghanistan needs more economic assistance. How can the U.S. assist more in building the economic infrastructure of Afghanistan?

President Bush. Right. As you know, we cooperated early with Japan and Saudi Arabia in helping them build a very important highway. I can remember when then-Secretary of State Powell came in and asked whether or not I thought this made sense, and I did. And I talked—I think I talked to you about it in our first visit.

President Karzai. Yes, yes.

President Bush. I hope that highway is complete—if not, being completed.

President Karzai. It is.

President Bush. We talked today about electricity. Interestingly enough, Afghanistan has got natural gas resources, and that those gas resources can be used to fire electricity plants which will be helpful for the infrastructure. And as a matter of fact, thanks to the United States Congress, there is reconstruction money in the supplemental and the budget, and that's good. And so those are ways we can help.

The truth of the matter—another way we can help is to diversify the agricultural sector, which leads to a subject that we spent some time on, and that is opium and poppies. As you know, there are—there's too much poppy cultivation in Afghanistan. And I made it very clear to the President that this is—that we have got to work together to eradicate poppy crop. And the President, not only in this meeting but in other meetings, has been very forthcoming about the desire to eradicate poppy. And as a matter of fact, according to a United Nations' report, there is less poppy today than the previous year.

President Karzai. Exactly.

President Bush. The President can give you some statistics on that if you're interested. One of the interesting issues, however, besides poppy crop eradication and, frankly, bringing people to justice who are

running drugs is to—is for crop substitution. And the—President Karzai was talking about how the quality of the pomegranate that used to be grown in Afghanistan—evidently it's quite famous for—the country is quite famous for growing pomegranates.

President Karzai. Yes, yes.

President Bush. Or honeydew melons. In other words, there are some specialty crops, along with wheat and corn, that can and should be grown in Afghanistan. We look forward to working—the President brought his Agricultural Minister with him, and we look forward to working on this aspect of economic development. After all, Afghanistan has had a long history of farming. And we can do a lot to help the farmers get back on their feet and diversify away from poppies.

And so there are some areas where we discussed help. The truth of the matter is, though, that it's very important for your Government to make—continue to make—and I'm confident the President will—but continue to make the right decisions about rule of law and transparency and decisions that will encourage an open marketplace so that people will feel comfortable investing in your country.

I don't know if you want to comment on that—on the poppy issue.

President Karzai. On the drugs issue, yes, yes. Mr. President, indeed, Afghanistan is suffering from the cultivation of poppies, which is undermining our economy. It's giving us a bad name, worst of all. Just after the Inauguration, a day after the Vice President and Secretary Rumsfeld left Afghanistan for the U.S., we called a meeting of the Afghan elders and representatives and spoke to them about the curse of poppies in Afghanistan. Their response to that was very positive. A lot of provinces that were the biggest producers of poppy refrained from producing poppies. Three years ago, I saw a report in the press that the province of Nangarhar, which used to produce poppies, has now reduced poppies by 80 percent, the same as in Helmand, the same as in Badakhshan, the same as in other areas where poppies were grown.

So we are hoping that Afghanistan this year will have something between 20 to 30 percent reduction in poppies all over the country, and that is a lot. When I was addressing the Afghan people a few months ago, I was not expecting the response to be so positive or that we will have poppy reduction by so many percentages in a year. Now if this trend continues, we'll have no poppies, hopefully, in Afghanistan in another 5 or 6 years.

But equally important is the provision of alternative livelihoods to the Afghan people. The President mentioned pomegranates, honeydew melon—lots of other things in Afghanistan that people destroyed in order to replace with poppies have to be now brought back to the lives of the Afghan farmers' alternative livelihood. And our adjudication to the arrest of drug dealers, mafia, the producers of the labs, is going on. With this trend and with proper alternative livelihood, hopefully in 5 to 6 years, Afghanistan should be free of poppies. That's a promise we have given to the world and to the Afghan people, and that's a promise that we will deliver on. Hold us accountable on that.

President Bush. Thank you, sir.

Steve [Steve Holland, Reuters].

Judicial Nominees

Q. Mr. President, on judicial nominees, are you willing to risk a stalling of your domestic agenda in order to get votes on judicial nominees? And what do you say to critics who said the Republicans did basically the same thing to some of President Clinton's nominees?

President Bush. Steve, I have made my position very clear, and that is my job is to pick people who will interpret the Constitution, not use the bench from which to write law. That's what I campaigned on. I said, "If I'm the President, I will pick

people who do that." I said, "I'll pick people who are—will bring great credit to the bench." And that's exactly what I've done, consistent with judicial philosophy in my picks as well as the character of the people I pick. And I expect them to get an up-or-down vote. That's what I expect. And I think the American people expect that as well. People ought to have a fair hearing, and they ought to get an up-or-down vote on the floor.

Why don't you go with one final question. We've got this lady reporter here. Yes.

President Karzai. All right. Lady.

Demonstrations in Afghanistan/Prison Abuse

Q. Just to follow up on the treatment of the prisoners. Mr. President, you know, anti-American feeling is running high in the Muslim world. We've seen it in Afghanistan after the alleged disintegration of the Koran in Guantanamo. After meeting with the President, how do you assure the Muslim world and Afghan people that have seen death as a result of the article, that this incident in Bagram and other treatment of prisoners is isolated incident, and it's not systemic?

And if I may ask you, Mr. President, as you know, the casualties of Iraq is again high today, 50 more people dying. Do you think that insurgence is getting harder now to defeat militarily? Thank you.

President Bush. No, I don't think so. I think they're being defeated, and that's why they continue to fight. The worst thing for them is to see democracy. The President can speak to that firsthand. The worst problem that an ideologue that uses terror to try to get their way is to see a free society emerge. And I'm confident we're making great progress in Iraq.

And clearly, it's dangerous, and we mourn the loss of life. On the other hand, the 8½ million Iraqis who went to the polls sent a very clear message to the world that they want to be free.

President Karzai. Ma'am, yes, we discussed those questions on the demonstrations, or the so-called demonstrations in part of the—parts of Afghanistan. You saw that Government buildings were burned and private property was damaged, broken. Those demonstrations were, in reality, not related to the Newsweek story. They were more against the elections in Afghanistan. They were more against the progress in Afghanistan. They were more against the strategic partnership with the United States.

We know who did it. We know the guys. We know the people behind those demonstrations. And if—unfortunately, you don't hear—follow the Afghan press, but if you listen to the Voice of America, the Radio Liberty, and the BBC, the Afghan population condemned that—those acts of arson in Afghanistan.

Of course, we are as Muslims very much unhappy with Newsweek bringing a matter so serious in the gossip column. It's really something that one shouldn't do, that responsible journalism shouldn't do at all. But Newsweek's story is not America's story. That's what—that's what we understand in Afghanistan. America has over a thousand mosques. I have gone and prayed in mosques here in America. I've prayed in Virginia. I've gone and prayed in Maryland. I've been to a mosque in Washington. And thousands of Afghans have been to mosques here in town, and as a matter of fact, tens of thousands of Muslims are going on a daily basis to mosques in America and praying.

So—and this is what was also reflected in Afghanistan. People spoke in the mosques, the clergy, and said, "What the hell are you doing?" There is a respect, there is this freedom in America for religion, and there are Muslims on a daily basis praying in mosques in America. And there are Korans, Holy Korans, all over America in homes and mosques. So it was

a political act, a political act against Afghanistan's stability, which we have condemned, which the Afghan people have condemned.

On the issue of prisoners, I spoke earlier, it does not reflect at all on American people. On the contrary, it's an individual act just like that bad Afghan kidnaped an Italian lady. And it's not the work of the Afghan people. In the same way, we treat this case.

President Bush. Thank you, Mr. President. Thank you.

NOTE: The President's news conference began at 11:03 a.m. in the East Room at the White House. In his remarks, he referred to Minister of Agriculture and Food Obaidullah Ramin of Afghanistan. President Karzai referred to Italian aid worker Clementina Cantoni, who was kidnaped in Kabul, Afghanistan, on May 16.

Joint Declaration of the United States-Afghanistan Strategic Partnership
May 23, 2005

Since the fall of the Taliban regime in December 2001, the United States and Afghanistan have made great progress in the pursuit of common strategic objectives. Together we have disrupted international terrorist networks and worked to ensure that Afghanistan will never again be a safe haven for terrorists. The United States has supported the Afghan people as they have established a moderate, representative government. During this time, the U.S. Government and the American people have demonstrated a commitment to an Afghanistan that is democratic, free, and able to provide for its own security.

Afghanistan expresses the profound gratitude of the Afghan people to the people of the United States of America. Thanks to the generosity of the American people and U.S. leadership, this extraordinary effort has enabled the Afghan people to regain hope and confidence and to renew their vision for achieving prosperity and peace.

Afghanistan confronts important challenges to its security and its efforts to build a government based on democratic principles, respect for human rights, and a market economy. To address these challenges, Afghanistan proposed that the United States join in a strategic partnership and establish close cooperation, including regular, high-level exchanges on the political, security, and economic issues contained herein and other issues of mutual interest. The United States and Afghanistan plan to work together to develop appropriate arrangements and agreements to implement their strategic partnership.

This shared effort will be based on a number of key principles, including a dedication to the rule of law, protection of the human rights and civil liberties of all individuals regardless of ethnic affiliations or gender, support for democratic governance, and reliance on the free market as the best means to further Afghanistan's economic progress. The strategic partnership's primary goal will be to strengthen U.S.-Afghan ties to help ensure Afghanistan's long-term security, democracy, and prosperity. It should contribute to peaceful and productive relations between Afghanistan and its neighbors. It is not directed against any third country.

This partnership will serve as the basis for our common efforts to cooperate in the war against international terror and the struggle against violent extremism, to promote stability and prosperity in the region, and to remain steadfast in supporting Afghanistan's campaign to eradicate poppy

cultivation, provide alternate livelihoods assistance, and fight the production and trafficking of drugs. The partnership will be anchored in the constitutions of our two countries, and will be guided by the United States and Afghanistan's respective obligations under the United Nations Charter and other international agreements and conventions.

Decades of civil war, political violence, and interference in Afghanistan's internal affairs make Afghanistan's security, sovereignty, independence, and territorial integrity particularly crucial areas for U.S.-Afghan cooperation. To enhance Afghanistan's long-term democracy, prosperity, and security, we intend to work closely together:

For Democracy and Governance

- Support democratic good governance and the development of civil society based on the rule of law and human rights and encourage broad-based political participation in Afghanistan.
- Help build strong, lasting Afghan Government and civic institutions and support political traditions that are efficient and responsive to the needs of the Afghan people.
- Encourage the advancement of freedom and democracy in the wider region.
- Support Afghanistan's initiative to restore the country's historic role as a land bridge connecting Central and South Asia and to shift the pattern of regional relations from rivalry to economic and political cooperation.
- Foster cooperation between Afghanistan and its neighbors and deter meddling in its internal affairs.
- Support people-to-people exchanges and partnerships to strengthen ties between American and Afghan society, thereby fostering common outlooks and collaboration on the challenges and opportunities before us.

For Prosperity

- Facilitate and support Afghanistan's integration into regional and world economies and appropriate international organizations.
- Help develop a legal and institutional framework for a thriving private sector and an environment favorable to international investment in Afghanistan.
- Encourage and facilitate involvement of U.S. businesses in ventures that accelerate the development of Afghan firms and the private sector.
- Continue the reconstruction of Afghanistan and investments in the people of Afghanistan and encourage other nations to do so.

For Security

- Help organize, train, equip, and sustain Afghan security forces as Afghanistan develops the capacity to undertake this responsibility.
- Consult with respect to taking appropriate measures in the event that Afghanistan perceives that its territorial integrity, independence, or security is threatened or at risk.
- Assist the Afghan Government in security sector reform.
- Continue to conduct counter-terrorism operations in cooperation with Afghan forces.
- Support Coalition assistance to the Afghan Government's counter-narcotics programs.
- Continue intelligence sharing.
- Strengthen Afghanistan's ties with NATO.
- Support border security initiatives.

It is understood that in order to achieve the objectives contained herein, U.S. military forces operating in Afghanistan will continue to have access to Bagram Air Base and its facilities, and facilities at other locations as may be mutually determined and that the U.S. and Coalition forces are to

continue to have the freedom of action required to conduct appropriate military operations based on consultations and preagreed procedures.

As Afghan Government capabilities increase, Afghanistan will continue to cooperate against terrorism, to promote regional security, and to combat the drug trade; the Afghan Government, over time, will move to assume Afghan security force sustainment costs; and the Afghan Government intends to maintain capabilities for the detention, as appropriate, of persons apprehended in the War on Terror.

As Afghanistan develops its political system, the United States looks to Afghanistan to respect human rights and develop a just and inclusive society. Regular, free, and fair democratic elections, a free press, and the active implementation of Afghanistan's constitution are hallmarks of the necessary commitment to these principles. The United States relies on the Government of Afghanistan to maintain its firm commitment against the production, processing, and trafficking of narcotics and to assume responsibility for countering narcotics as police, prosecutorial, and prison capacity is developed and enhanced. Finally, the United States relies on Afghanistan's commitment to create a legal framework and an environment favorable to private sector and domestic and international investment that offers economic opportunities to all Afghan people.

The Afghan people have made tremendous sacrifices and shown great courage in the pursuit of freedom. The United States shares their vision of a country that is democratic, at peace, and working to improve the lives of all Afghans and that plays an important and positive role in the affairs of the region and the world. We are confident that the U.S.-Afghan strategic partnership will play a central role in helping Afghanistan achieve these goals.

George W. Bush
President of the
United States

Hamid Karzai
President of the
Islamic Republic of
Afghanistan

NOTE: An original was not available for verification of the content of this joint statement.

Remarks at a Swearing-In Ceremony for Stephen L. Johnson as Administrator of the Environmental Protection Agency
May 23, 2005

The President. Good afternoon. I'm proud to visit the headquarters of the Environmental Protection Agency. I am honored to be here to congratulate Steve Johnson on becoming America's 11th EPA Administrator. Congratulations. It is good to be up here with Debbie, your wonderful family, as well as your dad, Bill.

I'm sorry that Laura couldn't join us, but today she's been touring the Egyptian desert. [*Laughter*] She tells me that if you take away the pyramids, it just looks like west Texas. [*Laughter*]

I want to thank Secretary of Transportation Norm Mineta for joining us. I want to thank the former EPA Administrator, the former Governor of New Jersey, Christie Todd Whitman, for coming today.

I thank Congressman Charlie Taylor of North Carolina for joining us today. Congressman, I'm proud you're here. He happens to be the chairman of the Appropriations Subcommittee on the Interior, Environment, and Related Agencies. Welcome.

My administration is fulfilling our responsibility to be good stewards of the Earth. Today, America's air, land, and

water are cleaner than they were in 2001. We've reduced air pollution by more than 10 percent. We put in place clean diesel rules that will cut emissions from heavy-duty vehicles by more than 90 percent over 10 years. We've restored nearly 1,200 abandoned industrial sites to productive use. We worked to pass the Healthy Forests Restoration Act to protect forests and wildlife and homeowners against catastrophic fires. We've substantially increased funding to improve water quality in the Great Lakes.

Our policies are protecting the environment while also promoting economic growth. And I want to thank each employee of this Agency for helping make this progress possible.

Steve Johnson is the right man to build on this progress. He has 24 years of experience here at the EPA. He is the first career EPA employee to hold the office of Administrator. Steve is also the first professional scientist to lead the agency. With this background, Steve will help us continue to place sound scientific analysis at the heart of all major environmental decisions.

The EPA recently finalized a rule that places the first-ever national cap on mercury emissions from powerplants, which will result in a nearly 70-percent decrease in these emissions. And we issued the Clean Air Interstate Rule to reduce air pollution from powerplants by 70 percent. These rules are a good start, but they are not a substitute for effective legislation. So one of Steve's first tasks—and I look forward to joining you on this task—to further reduce air pollution is to work with Congress to pass the Clear Skies legislation. Clear Skies is a commonsense, pro-environment, pro-jobs initiative. And Congress needs to pass the bill this year.

Steve will also build on EPA's work to improve the quality and security of our drinking water. We're enforcing strict standards to bring cleaner water to communities across our country. The budget I submitted this year to Congress includes a $44 million pilot program to develop tools to better monitor urban water systems, so we can detect contamination as quickly as possible. The budget also increases support for EPA homeland security programs by more than 70 percent next year. Under Steve's leadership, we will work to ensure that every American community continues to have a water supply that is clean and is safe.

We must build on our progress in the conservation and protection of our wetlands, soil, and wildlife habitats. On Earth Day last year, I announced a new goal to restore, improve, and protect at least 3 million acres of wetlands by 2009. After 1 year, we've already enhanced over 800,000 acres of wetlands. And that puts us on a pace to meet our goal.

And finally, we will continue our enforcement strategy, which focuses on achieving real environmental improvements that benefit everyone. Since 2001, the EPA has increased compliance inspections by 19 percent and civil investigations by 24 percent. And last year, the Agency provided compliance assistance to over 730,000 individuals and businesses.

Our strategy is working. Last year we obtained commitments to reduce future pollution by an estimated one billion pounds, an increase of 50 percent over the 2001 level. And I want to thank all the EPA employees who work in the field to work on this collaborative effort.

As Steve leads the EPA, he will maintain our commonsense approach of collaborating with leaders and volunteers at the local level to find the best solutions to meet our national goals. We'll continue to vigorously enforce our environmental laws. We'll encourage good stewardship of natural resources, and we will focus on results. We'll continue to protect the health of our citizens and help guarantee the quality of our air, water, and land for generations to come.

I'm looking forward to working with this good man as he leads this important Agency. Steve, congratulations. God bless.

[*At this point, Administrator Johnson made brief remarks.*]

The President. Congratulations.

NOTE: The President spoke at 1:48 p.m. in the Rachel Carson Room at the Environmental Protection Agency's Ariel Rios Building. In his remarks, he referred to Administrator Johnson's wife, Deborah Johnson, and his father, William Johnson. The transcript released by the Office of the Press Secretary also included the remarks of Administrator Johnson.

Remarks in a Discussion on Strengthening Social Security in Greece, New York
May 24, 2005

The President. Thank you all. Go ahead and be seated. Be seated, thank you. We've got to get to work. Thank you all for coming. Please be seated. Thanks for coming. Thanks for the warm welcome, and thanks for caring about the future of our country, because that's what we're here to discuss. Before I get to the Social Security issue, I do want to thank some people.

First I want to thank the Greece Athena Middle and High Schools for letting us use this fantastic facility. It really is beautiful, yes. A fantastic place, isn't it? Yes. I want to thank Helen Wahl and Dick Snyder. Helen is the principal of the high school; Dick Snyder is the principal of the middle school. I want to thank all the teachers. I want to thank the superintendent. I want to thank all the folks who care a lot about making sure the kids get educated here in this part of the world.

I'm sorry Laura is not here. Yes, you'd probably rather have her here than me, wouldn't you? Anyway—[*laughter*].

Audience member. We didn't say that.

The President. Well, no, but you thought it. You didn't say it, but I could tell you thought it. You're not the only person here who feels that way, I want you to know. She's doing great. She is on a trip promoting the freedom agenda. She's made it very clear to people in the Middle East, you can't have a complete society unless women participate fully in the society in the Middle East. I'm really proud of her. I'm a fortunate man that she said yes when I asked her to marry me back in Midland, Texas. She's a great First Lady. I'm looking forward to having her come home tonight, back to the White House.

I thank Congressman Tom Reynolds. He's an effective United States Congressman who cares a lot about this district. I'm proud to call him friend. I'm proud to call Congressman Sherry Boehlert friend as well. Sherry is from the district next door; I've known him for a long time. He's a good, thoughtful man. He's a fine United States Congressman. Congressman Jim Walsh is with us today. He too is a fine United States Congressman. And I was proud to be traveling with Congressman Randy Kuhl. He's a freshman Member of the House of Representatives, doing a great job. Thank you all for coming.

They wanted to ride on Air Force One. [*Laughter*] Proud to make room for them. They want to ride back on Air Force One. [*Laughter*] And they probably want a meal on Air Force One. Save up your appetite, fellows, you got a good meal coming.

I want to thank all the State and local officials who have joined us today. I'm proud you're here.

There's two athletes in the audience I want to pay recognition to. First of all, a person you all know well, really a fine member of the community, member of the

NFL Hall of Fame, Jim Kelly. Thank you for coming. Good to see you again, Jim. And at the other age of the—at the other end of the age spectrum is a fine athlete from this part of the world. I just met her. As you know, I'm a baseball person. I love baseball. The fact that somebody would pitch a perfect game at any level of baseball is amazing. The fact that a person would pitch a perfect game and strike out every batter is even more amazing. So welcome a fantastic pitcher in the—representing the Dodgers baseball team, from Little League Baseball, Katie Brownell. Thanks for coming.

And finally, one other person, before I get to the topic at hand, I'd like to introduce, is a woman named George-Ann Schauffele. George-Ann is a volunteer. And the reason I bring up people who volunteer is I want to remind you that the true strength of this country lies in the hearts and souls of our citizens, that if you want to be a participant in America and in the future America, volunteer to make somebody's life better. Feed the hungry; help find shelter for the homeless. George-Ann is involved with the Literacy Volunteers of Rochester program, helping somebody learn to read. I can't think of a better way to pass on a gift from one generation to the next than to mentor somebody, particularly somebody who needs to learn to read.

My point is this: Serve your community and serve your country by taking time out of your busy lives to volunteer to make somebody's life better, to answer that universal call to love a neighbor just like you'd like to be loved yourself. I don't know where George-Ann is. Where are you, George-Ann? Thanks for coming. Thanks for being a great role model.

We got a lot to do in Washington, DC. One of the big issues, of course, is Social Security—although yesterday there was some progress made. I'm pleased that the Senate is moving forward on my judicial nominees who were previously being blocked. These nominees have been waiting years for an up-or-down vote on the Senate floor, and now they'll get one. It's about time we're making some progress.

It's important for this Nation to address issues. I believe the job of the President is to confront problems, not to pass them on to future Presidents or future generations. I believe my job in representing everyone who lives in this country is that when I see a problem, is to say to the United States Congress, "Let's work together to solve the problem." And folks, we've got a problem when it comes to Social Security.

First, let me start by saying that Franklin Roosevelt did a good thing when he created the Social Security system. Social Security has been an important part of a lot of people's lives in America. The Social Security system created by Franklin Roosevelt provided a safety net for people in their retirement, and it worked. There are a lot of people still in this country counting on their Social Security check. And therefore, I want to start by saying to people who are getting their check, people who were born prior to 1950, the system will not change when it comes to you. The system has got plenty of money in it to make sure you get your check.

The reason I have to say that is because I understand how the Social Security issue has worked in the past: Somebody like me talks about it, and then somebody comes in behind by telling seniors, "Really what he's saying is he's going to take away your check." That's old-style, scare politics, but it is a part of the American system. And so people have got to understand when we start talking about Social Security, to strengthen the Social Security system for generations to come, to deal with the problem I'm about to describe to you, that if you're a senior in Greece, New York, you're going to get your check. It's the folks coming up that you need to worry about. See, if you're a grandmother, you're going to get your check. You need to worry about your grandson.

We're about to talk to a generation of folks from this part of the world about Social Security. Now, here's the reason I even have to bring it up, that the pay-as-you-go system in Social Security is confronting some serious demographic difficulties.

Now, the system is pay-as-you-go. That means when you pay in, we go ahead and pay out. Your payroll tax goes into a—not into trust that we hold for your account; your payroll tax goes into an account, and we pay out the money for the retirees, and with any money left over, we spend it on general government. It's important for people to understand that aspect of Social Security. In other words, it's not a trust. In other words, we're not taking your money and holding it for you and then giving it back to you when you retire. We're taking your money; we're spending it on current retirees; and in that more money is coming in that needs to go out for the retirees, we're spending on other programs. And all that's left behind in Social Security is a group of file cabinets with IOUs in it. That's the way the system works. It's called pay-as-you-go.

Now, what's going to change from today in terms of the pay-as-you-go system is that there's a lot of people getting ready to retire. I happen to be one of them. [*Laughter*] At least I reach retirement age in 2008. As I like to remind people, that's a convenient date for me—[*laughter*]—particularly the end of 2008. And there are a lot of people like me. We're called the baby boomers. I'm looking at some baby boomers out there. As a matter of fact, by the time the baby boomers fully retire, there's going to be over 70 million of us getting paid by younger workers who are paying through payroll—paying our retirement through payroll taxes. Today, there's about 40 million retirees. So, you see, a lot more people are going to be—having to be taken care of in the retirement system through the pay-as-you-go system.

And not only that, we're going to live longer than the previous generation. And not only that, our benefits are going to rise faster—at least the promised benefits will rise faster than a previous generation. So you've got a lot of people who will be living longer, getting paid greater benefits, with fewer people paying into the system.

In 1950, there were some 16-to-1 workers paying into the system for each beneficiary. Today, there's 3.3 workers for every beneficiary. Soon there's going to be 2 workers for every beneficiary. So, I think you're beginning to get a sense of the math. A lot of us are going to get greater benefits; we're going to live longer, with fewer of the young people paying in the system to take care of us.

Now, what ends up happening under that type of system is that, in 2017, the system starts to go into the red, more money going out than coming in on Social Security benefits, for Social Security benefits relative to the payroll taxes. And it gets worse every year. In 2027, it's projected there will be $200 billion in the hole, $200 billion more benefits going out than payroll taxes coming in. Every year worse after that, until 2041, all those—the paper in those file cabinets in West Virginia are just eaten up, bankrupt. The system is bust.

What we're asking youngsters to do is to contribute money through payroll taxes into a system that will be broke in 2041, unless we do something about it. And so that's the problem. And it's a real problem. My friend Tim Penny, former Congressman from Minnesota, is going to describe the problem to you in further detail.

Now, I have a duty not only to describe the problem; I believe I have a duty to come forth and say, "Let's do something about it," and "Here's some ideas," to the United States Congress. I did it. I stood up in front of the Congress at my State of the Union; I said, "Here's a problem. By the way, here's some ideas. All ideas are on the table except running up the payroll tax rate"—which I think would hurt the economy—"all ideas are on the table; bring them forward." And then I further

refined that by talking about some of these ideas. And the reason I'm doing it is because I understand if we wait, it costs $600 billion a year more every year we wait. See, if we don't do anything, if we don't come up with a solution to permanently solve this problem, it is conceivable a younger generation of Americans will have to pay an 18-percent payroll tax or benefits will have to be cut by 30 percent or the rest of Government will have to be cut substantially in order to make sure that the promises that have been made are promises that will be kept.

And so here are some ideas Congress needs to consider. First of all, that a future generation should receive benefits equal to or greater than the benefits enjoyed by today's seniors. That seems like a reasonable principle as we go forward. Secondly, that the Social Security system should be designed such—the future Social Security—by the way, if you were born prior to 1950, nothing changes. What I'm talking about here doesn't pertain to you. You're going to get your check. The system is going to be exactly the way it is. There's plenty of money in it to take care of you. It's the younger folks that need to be paying attention to what I'm talking about.

And so I think a second principle ought to be this: if you've worked all your life, that you should not retire in poverty. That's a principle that makes sense. We can design a system that supports that concept. And here's the way you do it: It's called progressive indexing. That's a Washington kind of thing, you know. [*Laughter*] It says that if you're in the—for example, a guy named Pozen, who Tim knows well, came up with this concept. It said that if you're a—poorest 30 percent of the workers, nothing will change in terms of how your benefits increase.

Right now the benefits, by the way, increases are tied to wages. If you're the top 1 percent of workers in terms of income, your benefits would increase by the rate of inflation, not by the rate of wage. Your benefits increase but not as fast as the folks at the bottom end of the spectrum. And if you're in between, depending upon your income, your benefits will increase somewhere between the rate of wage and the rate of price.

Now, incredibly enough, structuring the system this way when it comes to benefit increases will get about—a significant portion of the problem permanently solved. I think it makes sense for Congress to consider this idea. It says you'll get a benefit equal to or greater than the previous generation, that at the very minimum, your benefit will grow at the rate of inflation; if you're poor, your benefit will grow at the rate of wage increases and that you won't retire into poverty.

And there are other things we can do to permanently solve the problem completely. I say permanently solve it because you might remember 1983. Were you in the Congress then, Tim? Yes, first term in the Congress. Tim came together with others—Ronald Reagan was the President; Tip O'Neill was the Speaker. We had a problem in Social Security. They came together and put together what they called a 75-year fix. Here we are 22 years later. The 75-year fix didn't stick for 75 years. It's time to fix this deal once and for all.

And there are some good ideas I put on the table. Let me tell you one other good idea that I want people to think about before we get to our panelists here, folks we're going to be discussing this issue with. And that is that I think that as we permanently solve the system, that we ought to make it a better deal for younger workers by allowing younger workers to take some of their own payroll taxes and set it aside in what is called a voluntary personal savings account.

Notice I said "voluntary." In other words, the Government should say to a younger worker, "If you want to, you can put some of your own money aside. You don't have to. If you're uncomfortable with watching your money grow with a conservative mix

of bonds and stocks, you don't have to do that." You can keep it the way—into the system. And you'll get your check. If you're in the bottom 30 percent, your benefits over time will grow with wages. If you're in the top 1 percent, they'll grow with inflation. And if you're somewhere in between, they'll grow depending upon your income but greater than the rate of inflation. Secondly, it's called a personal account. That means you own it. It's an account the Government cannot take away.

So why would we do this? Why would we think of this idea? Well, first of all, with your money—your payroll taxes; after all it's your money—is earning about a 1.8 percent rate of return over time in the Social Security system. You can do better than that. You can do better than that with T-bills, which have very little risk to them, if any at all. You can do a lot better than that in a conservative mix of bonds and stocks. They say that over time you should be able to average at least 4.6 percent.

Now, over a lifetime, that is a significant amount of money relative to the 1.8 percent, because money compounds, money grows. For example, if you're making $8 an hour and you put your money—and you're allowed to set aside a third of your payroll taxes—$8 an hour over your life, and you're allowed to set a third of your payroll taxes aside in a personal savings account, and you earn the 4.5 percent rate of return, which is definitely achievable, particularly when you look at the history of a conservative mix of investments, by the time it comes—you reach retirement age, you'll have earned $100,000 in your nest egg. That will be a part of your Social Security retirement system. See, you'll get benefits out of the current system, out of the system that's reformed, plus you've got $100,000 that you call your own.

If you're—say you're a police officer and a nurse, and they enter the workforce in 2011, and you set aside money; and you make the average salary those folks make over time, and you set aside a third of your payroll taxes—both of you do—by the time both retire, they have about $669,000 in a personal savings account. Money grows over time. The higher the rate of return, the more—the faster your money grows and the more you end up with.

A lot of people are able to understand that. You know why? Because we're into a 401(k) culture. When Penny and I were growing up, we didn't have 401(k)s. The other day I was in an automobile manufacturing plant in Mississippi; I'm sitting with a lot of line workers. I said, "How many of you have got 401(k)s?" A lot of hands went up. A lot of people from different walks of life, different backgrounds, now understand what it means to watch your money grow. This isn't a new concept that's in American society. This is something that's taking place throughout all of society. And I think it makes sense to understand the investor class doesn't belong to a privileged few but the investor class ought to be extended to everybody who lives in America, if that's what you want, if that's what you choose.

I like the idea of somebody saying, "Here's your asset, and you can leave it to whomever you want." And the more people are able to do that in our society, the better off society is. See, I think Government ought to promote an ownership society. We ought to encourage more people to own their own home, encourage entrepreneurs to be able to take risk and own their own business and, in this case, encourage Americans from all walks of life, if they so choose, to manage their own retirement account. And I say "manage it." You know, it's your money. You're going to have some choices to make when it comes to a personal savings account. You can't take it to the lottery, by the way. You notice I've been stressing conservative mix of bonds and stocks, because we want this account to grow and be a part of a modern safety net for you in your retirement. And so there will be some guidelines.

And I can predict to you that it works because a lot of other people have watched their money grow in the same kind of accounts, including people who work for the Federal Government. See, we have got in Washington what's called a Thrift Savings Plan. And Members of the United States Senate, for example, can choose, if they so desire, to set aside some of their own money in a personal savings account, a voluntary personal savings account. And a lot of people like it.

I think—I was doing one of these events with Senator McCain, who told me that his rate of return on his money was, like, 7 percent over the last 20 years. That's a lot better than the 1.8 percent we now get for you in the Social Security system. And so my attitude about this issue on Thrift Savings Plans when I speak to Members of the Congress is pretty simple. If the idea of taking some of your own money and setting it aside in a conservative mix of bonds and stocks is good enough for you, Mr. Senator, it is good enough for workers all across the United States of America. You'll be happy to hear Senator McCain agrees with me, because he's seen his money grow.

Now, a personal savings account would be a part of a Social Security retirement system. It would be a part of what you would have to retire when you reach retirement age. As you—as I mentioned to you earlier, we're going to redesign the current system. If you've retired, you don't have anything to worry about—third time I've said that. [*Laughter*] I'll probably say it three more times. See, in my line of work you got to keep repeating things over and over and over again for the truth to sink in, to kind of catapult the propaganda.

But if you choose to have one of these accounts—notice I keep saying "if you choose"; the Government is not going to tell you, "You have to do this." I think the Government ought to give you the opportunity to set up one of these accounts. And the account becomes a part of your retirement plan. It's your own asset. It's something you leave to somebody—whomever you choose. And it makes the system eminently more fair.

Now, with those thoughts in mind, we got a problem, and here's some ideas on how to solve it. I've asked Congressman Tim Penny, right out of the State of Minnesota, a person who's followed this issue a lot. He happens to be of a different political party than I am, but, nevertheless, we both share the common goal of doing our duty as involved citizens to permanently solve the problem of Social Security today.

Welcome, Congressman. Thanks for coming.

[*At this point, former Representative Timothy J. Penny, senior fellow and codirector, Hubert H. Humphrey Institute Policy Forum, made brief remarks.*]

The President. Well, thank you, Tim. Good job. Articulate guy, isn't he? Yes. One thing you don't have to worry about is me staying with this effort. This is a vital issue. The American people expect those of us who are fortunate enough to serve in Washington to solve problems. And I've just begun. I like getting out of Washington, to begin with—[*laughter*]—I like explaining the situation. But we're just beginning. If this were easy, it would have been done a while ago. And I fully recognize some in Washington don't particularly want to address this issue. It may be too difficult. And I recognize some of them say, "Well, this is a partisan thing. We don't want to make one party look good as opposed—at the expense of another."

But let me tell you what I think is going to happen. I think—and Tim is right—I think more and more people recognize there's a problem, and people are beginning to say, "Go do something about it." And those who obstruct reform, no matter what party they're in, will pay a political price, in my judgment. People expect us to go to Washington, DC, to work together. That's what they want to see, particularly

when it comes to an issue like Social Security.

We've got three members of a fine family here. We've got grandmother, mom, and down there anchoring at the end is grandson or son, isn't that right?

Audrey Ceglinski. That's right.

The President. Yes. You are Audrey Ceglinski.

Mrs. Ceglinski. That's right. I'm a 70-year-old widow.

The President. Don't ever say your age. [*Laughter*]

Mrs. Ceglinski. Oh, that's—I have no problem. Don't ask me my weight, though.

The President. Okay. [*Laughter*] Reminds me of my mother. [*Laughter*]

Mrs. Ceglinski. That's good. I was a teacher aide for Williamsville South High School for 25 years, and I retired from there—a very enjoyable job. I also wanted to mention I'm a volunteer for Meals on Wheels——

The President. Oh, fantastic.

Mrs. Ceglinski. ——which I'm missing today. [*Laughter*]

The President. I hope somebody filled in.

Mrs. Ceglinski. Oh, yes. We've got some great people there. It's a good group.

The President. Thanks for doing that.

Mrs. Ceglinski. I like it a lot. My husband and I retired 8 years ago. Unfortunately, he passed on after only 2 years, so the money he had invested in Social Security in a sense was gone. Had we had a personal account, I would have had some money for Deb, Jeremy, his brothers, to pass on.

The President. Let me stop you there, if you don't mind.

Mrs. Ceglinski. That's fine. [*Laughter*] You have my permission.

The President. Here's the way the system works. Two folks work; they both contribute to the Social Security system; if one dies early, the spouse, the remaining spouse gets to choose her benefits or his benefits, which are ever greater, but not both. Think about that system. Dad went and contributed a lot into the system. He passed away. But the money he put in—most of the money he put in is gone. That's not fair. What kind of system is that? It's not a fair system. It's not fair to the family. It's not fair to the person who has worked all his life, in this case. Had he been able to put money aside in a personal account, that account would have gone to Audrey.

Isn't that right? Keep going. You're on a roll.

Mrs. Ceglinski. Okay. [*Laughter*] I have five children, seven grandchildren, and that's my concern. I think you making the young people aware that there's a problem is going to make them aware and encourage them to save. And I think that's what we need to do.

The President. Well, I appreciate that. Younger people need to pay attention to this issue. See, if nothing gets done in Congress, as Congressman Penny pointed out, you're going to get to pay higher payroll taxes—and higher and higher and higher payroll taxes. And so you need to pay attention. Actually, I believe younger people are beginning to pay closer attention to this issue. We're beginning to get their attention.

First thing is, is there any doubt in your mind that you're going to get your check?

Mrs. Ceglinski. I'm getting my check, and it's wonderful.

The President. They're still coming.

Mrs. Ceglinski. It's still coming, and I'm planning on it for a while yet. [*Laughter*]

The President. Well, you need to, yes. Heading toward 80.

Mrs. Ceglinski. That's right.

The President. Right around the corner. You look great.

Mrs. Ceglinski. Thank you very much.

The President. You look like 100 to me. That's where you're going to be. Thirty more years?

Mrs. Ceglinski. I'll remind you of that. [*Laughter*]

The President. All right, good. And she's going to want her check. On her 99th birthday, she's going to want her check. And you're going to get your check.

Okay, and so who did you bring with you?

Mrs. Ceglinski. I brought my daughter, Deborah, the oldest of my five.

The President. Debbie or Deborah?

Mrs. Ceglinski. Debbie. We like to call her Debbie.

The President. You called her Deborah.

Mrs. Ceglinski. Yes.

The President. Okay. [*Laughter*]

Mrs. Ceglinski. Only when she's in trouble. And Jeremy, her youngest son.

The President. Fantastic. Debbie, welcome.

Deborah Brown. Thank you.

The President. Thanks for coming. Mom did a good job, didn't she?

Mrs. Brown. Yes, she did.

The President. So what was it like growing up? Was Mom pretty tough, a disciplinarian?

Mrs. Brown. Yes, she was. [*Laughter*]

The President. Well, then you and I share the same thing. [*Laughter*]

Mrs. Brown. Yes, we do.

The President. Tell me what's on your mind.

Mrs. Brown. Well, I appreciate the opportunity to be here. I was an at-home mom. I was privileged that my husband, who is here today, was willing to let me stay home and raise the kids, work part-time. But when you do that, you don't get to pay into a retirement system anywhere. So I went, got my master's degree. I have a job I'm very happy with now. But I will never be able to build a good retirement in the amount of time I have until I retire. So it's very appealing, the plans that you're talking about, because I'll be quite dependent on Social Security.

The President. Yes, set aside a little money, watch it grow at a better rate than the current Social Security system.

Mrs. Brown. Exactly, so that—certainly, for Jeremy and for my other three sons, as you said, it would make me happy to know that they're taken care of, too, and that they would have options.

The President. Right. And how is old Jeremy doing?

Jeremy Brown. I'm doing good. [*Laughter*]

The President. Tell them where you were born.

Mr. Brown. Tomball, Texas. [*Laughter*]

The President. Tomball, Texas, right outside of Houston.

Mr. Brown. Yes.

The President. So you've got Grandmom here; you've got Mom here.

Mr. Brown. I've got the brother out in the audience—one of the three is out in the audience, the other grandparents.

The President. Good. First of all, what are you doing with yourself these days?

Mr. Brown. Well, I'm 18. I'm a sophomore at Canisius College in Buffalo.

The President. What's your major?

Mr. Brown. I'm dual-majoring in business marketing and business management.

The President. Great. All A's?

Mr. Brown. Hopefully. [*Laughter*]

The President. Well, don't worry about it. That won't disqualify you from being President.

All right, Jeremy, get going, will you?

Mr. Brown. All right, well, being the younger generation, I'm just starting to pay into the system. I like the idea of having these personal accounts, getting a better rate of return in the end, and compound interest and everything so I build up something for myself that I could leave for my future kids and everything. And I like the fact that I'll have something to show for it, because people go and pay decades and decades into Social Security and when it comes time for me to retire, if we don't change, I'll have nothing to show for it.

The President. You know what's interesting—I say this a lot when I travel around the country—is that a lot of young people

think it's more likely they'll see a UFO than a Social Security check. [*Laughter*] What do you think, Jeremy?

Mr. Brown. I don't know. I'd rather see Social Security change. [*Laughter*]

The President. I didn't ask your preference. [*Laughter*] But there's a lot of young people who, when they listen to the debate and understand the demographic shift that's going on, don't think they're going to see anything. What kind of system is that where you got a young guy getting ready to graduate from college paying into a—paying a payroll tax, a hefty payroll tax, into a system where he doesn't think he's going to see any benefits from it. It's a system that sounds like to me is screaming for reform, so that somebody who contributes into the system not only knows they're taking care of a baby boomer generation or doing their part for their retirement but also will have something left over for his family, in this case.

What do you want to do when you get out of college?

Mr. Brown. Go into real estate.

The President. Real estate, yes, good. Sounds like to me you can understand finances pretty well, too, that money can grow over time.

Mr. Brown. Yes.

The President. Anybody—any other 18-year-olders that you know worried about this issue, thinking about the issue?

Mr. Brown. They are now. I got them informed.

The President. Yes, you do? That's good. [*Laughter*] Good job. It's important for people Jeremy's age to start listening to this discussion. As Tim said, the longer we wait, the more difficult it's going to be for an up-and-coming generation.

This is a generational issue, folks. See, the grandmoms and granddads around America now understand they're going to get their check, and so once that comfort level has been provided, the next logical question from many of the grandmothers I've talked to is, "What are you going to do about my grandson? You've said there's a problem, Mr. President, I expect you and the United States Congress to make sure that my grandson has got a viable retirement system." That's what a lot of people are beginning to say around America.

And that's why I can predict that once we get through on this issue, once I finish traveling the country—and I got a lot more to do—people are going to start demanding from their Representatives and their Senators a solution. They don't want any Washington doubletalk. What they want is a solution, so a grandmother can then look at her son, her grandson, Jeremy, and say, "Thankfully, people in Washington did their duty, and I can rest easy knowing I'm going to get my check and Jeremy is going to get his as well." That's the issue.

Good job. You were great.

You two look alike. These are the Weitzel girls, McKenna and Riley, isn't that right? Okay. Which one is Riley? That makes you McKenna.

McKenna Weitzel. That's true. [*Laughter*]

The President. They're twins. I'm the father of twins. I am a white-haired father of twins. [*Laughter*]

Riley Weitzel. They can do that to you.

The President. Did you do the same thing?

Riley Weitzel. Yes.

The President. Tell me what you all do.

Riley Weitzel. Well, I'm a history teacher at Bread of Life Christian Academy here in Rochester.

The President. Fabulous. Thanks for teaching.

Riley Weitzel. Yes. I teach history to the fourth through seventh graders there. Hi, guys. I love you, and I miss you, and I'll be there tomorrow. Be good.

The President. Taking advantage of C–SPAN. [*Laughter*]

Riley Weitzel. And I am getting married in the summer, in August. And my fiance and I are just starting to think about retirement and about future generations and, hopefully, if God blesses us with kids,

our kids, and something we can pass on down to them. We're really excited about your plan and that we can set up personal accounts and then watch compound interest grow and hopefully get a nest egg and be able to hand that down to our kids.

The President. Fantastic. I don't remember thinking about compound interest growing when I was 23. There wasn't a lot of discussion about that type of issue. There's a change; there's a cultural change in America when it comes to investment, because a lot of people are now getting used to the concept of watching their own money grow, isn't that right.

So is fiance here?

Riley Weitzel. Yes, he's right over there, Ben.

The President. Ben. Look at him, fine-looking lad.

Riley Weitzel. Thanks. I think so, too.

The President. August is the wedding?

Riley Weitzel. August 6th. You're invited. [*Laughter*]

The President. That's a smart move. [*Laughter*] She knows I won't come, but I will send a gift. [*Laughter*] McKenna going to be in the wedding?

Riley Weitzel. McKenna is my maid of honor, of course.

The President. Cool. McKenna, what do you do?

McKenna Weitzel. I'm a hairdresser at the Scott Miller Salon in Pittsford, New York.

The President. Great, good.

McKenna Weitzel. Yes, it's a wonderful place to work.

The President. A lot of talk about Social Security?

McKenna Weitzel. Not a whole lot there but honestly, I've been thinking about it.

The President. Have you? Good.

McKenna Weitzel. Yes, definitely. I feel like there's definitely a problem in the system right now, and things need to change. And I want to say that it's completely commendable of you to stand up and tackle this issue.

The President. Oh, thanks. Thank you. That's my job. [*Laughter*] I appreciate you saying that. There's a lot of others in Washington feel the same way I feel, that there's—they say, "Are you taking a risk?" How can you be taking a risk when you're doing what the people expect, solving problems. I think the people who take the risk are those who won't come to the table to discuss the issue in a way that will help solve the problem.

So are you in agreement with Riley on personal accounts?

McKenna Weitzel. I certainly do. I feel like being able to take more ownership over your future and over your investments is very wise.

The President. Yes. Don't you like the idea—some of you have got 401(k)s, and you open up your statement on a quarterly basis. It seems like to me that would be a healthy thing for our country if more and more people are opening up a statement that says, "This is what you're worth. This is how your worth has grown." It's a—to me, it's a notion of getting people to understand that they've got to pay attention to the future of the country, when you, on a monthly basis, in some cases on a daily basis if you want to get on the Internet and look at your asset base. Now, you're contributing in to the—both of you—payroll tax, aren't you?

McKenna Weitzel. Yes, we both currently are.

The President. Pretty good-size chunk?

Riley Weitzel. No, not really.

The President. No, a pretty good-size chunk of your payroll tax.

Riley Weitzel. Oh, of course.

McKenna Weitzel. Yes, yes.

The President. I think the interesting thing is that when you first talk to people entering into the workplace, their reaction when they first get their checks, what—their reaction to what it's like to not have

quite as much money as you expected. That happen to you?

McKenna Weitzel. Yes, that was a shocker. [*Laughter*]

The President. Yes, in other words, Government tends to take out a pretty good chunk. And it seems like to me that a significant chunk that is being taken out ought to at least be able to say to young kids, "There's a reason why. It's worthwhile for the money to go out, because it will help me in my retirement age." That's kind of what we're talking about, isn't it?

Okay, now that you've got your kids watching, anything else you want to say?

Riley Weitzel. Just, be good today. That's all.

The President. How about you, McKenna? McKenna, you got anything else you need to say?

McKenna Weitzel. Well, I just also want to state that I feel like it's just encouraging to know that we could collect money in the end, that we aren't hoping that there will be money there, that it truly will be, and also just the responsibility of knowing that you're setting aside money and that you will be getting it.

The President. See, it's a little lack of trust right now, it sounds like to me, "Don't quite trust the Government to have a Social Security system available for my—for the money I put in." This is a matter of trust. This is a big issue.

I want to thank our panelists for coming to discuss this issue—very good job. Washington has a duty to earn the trust of the people by making wise decisions about how the people's money will be used. We have a chance—both Republicans and Democrats have a chance to come together and to solve the Social Security issue forever. And when we do—and I believe we will, because the people's voices are going to resonate on this issue—and when we do, all of us who are fortunate enough to serve this country can look back and say, "We did our duty for generations to come."

Listen, thank you all for coming. May God bless you all, and may God continue to bless our country.

NOTE: The President spoke at 10:48 a.m. in the Athena Performing Arts Center at Greece Athena Middle and High School. In his remarks, he referred to Robert C. Pozen, former member, President's Commission to Strengthen Social Security.

Remarks on Bioethics
May 24, 2005

Thank you all. Please be seated. Good afternoon, and welcome to the White House.

I have just met with 21 remarkable families. Each of them has answered the call to ensure that our society's most vulnerable members are protected and defended at every stage of life.

The families here today have either adopted or given up for adoption frozen embryos that remained after fertility treatments. Rather than discard these embryos created during in vitro fertilization or turn them over for research that destroys them, these families have chosen a life-affirming alternative. Twenty-one children here today found a chance for life with loving parents.

I believe America must pursue the tremendous possibilities of science, and I believe we can do so while still fostering and encouraging respect for human life in all its stages. In the complex debate over embryonic stem cell research, we must remember that real human lives are

involved—both the lives of those with diseases that might find cures from this research and the lives of the embryos that will be destroyed in the process. The children here today are reminders that every human life is a precious gift of matchless value.

I appreciate Mike Leavitt, Department of Health and Human Services, for being here. He's the Secretary of the Department of Health and Human Services. I picked a really good man to take on this assignment. He's doing a fine job.

I want to thank the executive director of Nightlight Christian Adoptions, Ron Stoddart, for joining us today. Welcome. I want to thank Lori Maze, the director of Snowflakes Frozen Embryo Adoption Program. Welcome, Lori. Thank you for coming. And thank you all for being here.

The rapid advance of science presents us with the hope of eventual cures for terrible diseases and with profound moral and ethical dilemmas. The decisions we make today will have far-reaching consequences, so we must aggressively move forward with medical research while also maintaining the highest ethical standards.

Research on stem cells derived from human embryos may offer great promise, but the way those cells are derived today destroys the embryo. I share the hope of millions of Americans who desperately want to find treatments and cures for terrible diseases such as juvenile diabetes and Parkinson's disease. That is why my administration completing—completed the doubling of the NIH budget to $29 billion a year, to encourage research. I also made available for the first time Federal funds for embryonic stem cell research in order to explore the potential of these cells.

But I also recognize the grave moral issues at stake. So in August 2000-first—2001, I set forward a policy to advance stem cell research in a responsible way by funding research on stem cell lines derived only from embryos that had already been destroyed. This policy set a clear standard: We should not use public money to support the further destruction of human life.

Under this policy, we have supported a great deal of ethical research. About 600 shipments of eligible stem cell lines are already being used by researchers across the country, and over 3,000 more shipments are still available. We've increased funding for all forms of stem cell research by more than 80 percent since I took office. A tremendous amount of both public and private research is underway in America on embryonic as well as adult stem cells and stem cells from umbilical cord blood.

Today the House of Representatives is considering a bill that violates the clear standard I set 4 years ago. This bill would take us across a critical ethical line by creating new incentives for the ongoing destruction of emerging human life. Crossing this line would be a great mistake.

Even now, researchers are exploring alternative sources of stem cells, such as adult bone marrow and umbilical cord blood as well as different ethical ways of getting the same kind of cells now taken from embryos, without violating human life or dignity. With the right policies and the right techniques, we can pursue scientific progress while still fulfilling our moral duties.

I want to thank Nightlight Christian Adoptions for their good work. Nightlight's embryo adoption program has now matched over 200 biological parents with about 140 adoptive families, resulting in the birth of 81 children so far, with more on the way.

The children here today remind us that there is no such thing as a spare embryo. Every embryo is unique and genetically complete, like every other human being. And each of us started out our life this way. These lives are not raw material to be exploited, but gifts. And I commend each of the families here today for accepting the gift of these children and offering them the gift of your love.

Thank you for coming today. By the way, we're having a little birthday gathering just

in a second for Tanner and Noelle. You all are invited to partake in a little birthday cake. [*Laughter*] In the meantime, may God bless you and your families, and may God continue to bless our country. Thank you.

NOTE: The President spoke at 2:07 p.m. in the East Room at the White House. In his remarks, he referred to birthday guests Tanner Brinkman and Noelle Faulk.

Remarks With Judge Priscilla R. Owen on Senate Action To Allow Votes on Judicial Nominations
May 24, 2005

The President. I'm proud to welcome Judge Priscilla Owen to the Oval Office, along with Leader Frist and my two buddies from the great State of Texas, Senator Hutchison and Senator Cornyn.

Over 4 years ago, I put Judge Owen's name up to the Senate for confirmation to the Fifth Court of Appeals. Thanks to the good work of the leader, whose work cleared the way, Judge Owen is finally going to get an up-or-down vote on the Senate floor. She is my friend, and more importantly, she's a great judge.

I want to thank the Texas Senators who have been so strong standing beside Priscilla. There was never any doubt in the Senators' minds that Priscilla Owen is well-qualified to honorably serve on the Federal bench. And it's such a—it's a great day for our friend, to see our friend finally get a just due, after a long, long wait.

So, welcome and congratulations. Perhaps you'd like to say something.

[*At this point, Judge Owen made brief remarks.*]

The President. Thank you all for coming.

NOTE: The President spoke at 4:51 p.m. in the Oval Office at the White House. The transcript released by the Office of the Press Secretary also included the remarks of Judge Owen.

Remarks Following a Tour of a Hydrogen Fueling Station and an Exchange With Reporters
May 25, 2005

The President. This is the beginning of some fantastic technology, and thanks for having us out here. We're going to look at some other vehicles here in a minute, but hydrogen is the wave of the future. And this country is going to have to use technology to diversify away from hydrocarbons. We're too dependent on foreign sources of energy today. And one way to diversify away from hydrocarbons is to use hydrogen, the byproduct of which will be water and not exhausts which pollute the air.

So I'm excited to be part of a technological revolution that's going to change the country. It won't happen overnight. It's going to take a fair amount of research and development to make sure hydrogen is attractive and reasonable—is able to be manufactured at a reasonable price, distributed in a wide way for consumer satisfaction.

But it's coming. We're spending about $1.2 billion on hydrogen research. America leads the world in hydrogen research. It's a part of our efforts to help diversify away from hydrocarbons. And the problem we face today at the gas pump is we're too dependent on foreign sources of energy.

So thanks for showing us this. It's exciting. It's the early stages of what will be available to a lot of Americans. Thank you.

Energy Legislation

Q. How is the energy bill coming?

The President. Energy bill? What was your question?

Q. How is the energy bill coming along?

The President. Yes, working hard in the Senate to get a good energy bill out—they need to get it to my desk. I appreciate you asking about the energy bill. Part of the hydrogen initiative and part of the diversification away from hydrocarbons is a part of an energy bill. And Congress has been talking too long about the energy bill, and now is the time to get it to my desk.

And so we're working with the Senators. Senator Domenici is intent upon getting an energy bill out. Once they get it out of the Senate, they've got to work out their differences with the House. And I think the American people are tired of waiting; I know they are. And I submitted a plan to the Congress 4 years ago, and I'm getting a little tired of waiting on an energy bill. For the sake of energy independence, they've got to get me a bill.

And it's a comprehensive bill. It talks about encouraging conservation, environmentally friendly ways to explore for hydrocarbons, money to diversify away from the hydrocarbon economy we live in, and ways to modernize the electricity grid. I'm hopeful they'll get it done, but we're going to push hard to make sure they do.

Thank you.

Q. Did you sign any bills yesterday? Do you sense a new bipartisanship?

The President. We'll see. It's all going to be in the results. I'm a results-oriented person. I want to see the bill to my desk. That's the definition of people committing themselves to get something done. The American people expect them to get something done. I do, too, because we're too dependent on foreign sources of energy.

Go ahead, what was your question?

Hydrogen Fuel

Q. How much did you fill up with, and how much did it cost?

Rick Scott. Yes, sir, we filled up .183 kilograms, because it's a gas. And now the cost factor—right now it's a demonstration mode, so when it rains, I jack up the cost, and when it's sunny, I bring it back down. [*Laughter*] Today with the——

The President. How is—what is the—what he really wants to know is the equivalency.

Mr. Scott. Right now the cost is $4.75, and what we're looking at is——

The President. But what's the equivalency to the normal tank——

Mr. Scott. It's twice as much as premium because the car is two times more efficient in its energy, and it's a quality fuel.

The President. It's also the beginning of technology. In other words, a new product generally is more expensive until there's more volume and more distribution. Part of the reasons we're spending money is to see if we can't encourage technology to enable the industry to extract hydrocarbon at more reasonable—I mean, hydrogen at more reasonable price.

A couple of bottlenecks, it seems like to me—and you can help me out here. One, obviously, is the manufacturing of vehicles that use hydrogen. Secondly, it is the ability to produce hydrogen. It requires energy to produce hydrogen, and therefore, we're trying to use our research dollars to figure out how best to do that in efficient ways. And, finally, to make sure that the infrastructure is such that consumers can buy hydrogen in a convenient way.

But we've got work to do. No one thinks this technology is going to overwhelm our

society in the immediate term. This is a 10-year project, as I—when I announced it to the United States Congress. The key is, is that we're now putting things in place today, making investments today, encouraging development of alternative sources of energy today, that will help transform our energy mix for tomorrow so that 10 years from now, hopefully, we can look back and say, "Thankfully, Congress finally acted and President Bush led, so that we're able to diversify away from oil and gas." And we need to do it for the sake of our energy security and national security.

Thank you all.

NOTE: The President spoke at 10:15 a.m. at the Shell Service Station at 3355 Benning Rd., NE, in Washington, DC. Participating in the tour was Rick Scott, operations coordinator, Shell Hydrogen, LLC.

Remarks Following Discussions With President Susilo Bambang Yudhoyono of Indonesia and an Exchange With Reporters
May 25, 2005

President Bush. Mr. President, welcome to the Oval Office. It's an honor to meet with you again. Last time I was with you, I congratulated you on winning a hard-fought Presidential campaign. Now I had a chance to congratulate you on fulfilling your campaign promises. I want to thank you for your impressive record.

I also want to thank you for the strength and the leadership you showed during what must have been an incredibly difficult period for the government and the people of Indonesia during the catastrophe after the tsunami. You showed good—great courage. And it's been an honor to work with you to help save lives and to bring people order out of the chaos that ensued after the terrible disaster.

We had a very good conversation today. We talked about a variety of subjects, all aimed about making our countries more peaceful and more prosperous and the world more peaceful. Indonesia will play a large role and a significant role in helping us understand that great religions should coexist in a peaceful way.

Mr. President, thank you for coming, and welcome to the Oval Office.

President Yudhoyono. Mr. President, I'm also pleased to have the opportunity to meet you again, after we met in Chile during the APEC meeting.

As I have said during this meeting, that I do hope that our cooperation can be strengthened from time to time. And as we discussed on many subjects—the education, the economic cooperations, the counterterrorism, regional situation, and others—I extremely hope that Indonesia can continue its reforms, democratizations, and economic reconstruction. And I do hope that you could maintain your contribution and support to us in continuing our reforms and democratizations.

President Bush. Thank you, sir. We'll answer two questions a side. We'll start with the American person, Jennifer [Jennifer Loven, Associated Press].

Bioethics/Stem Cell Research

Q. Thank you, sir. With 400,000 frozen embryos in this country unlikely to all get adopted, why do you think that either storing them or even discarding them is better than using them for research?

President Bush. She's asking about a very delicate subject called embryonic stem cell research. I have made my position very clear on that issue. I believe that the use of Federal moneys that end up destroying

life is not—is not positive, is not good. And so therefore, I'm against the extension of the research of using more Federal dollars on new embryonic stem cell lines.

As you know, I made the decision that existing lines should receive Federal dollars, and we've had about 600 different experiments, maybe 3,000 more to go. And so you asked about frozen embryos—that would entail the destruction of life, and the use of Federal dollars to destroy life is something I simply do not support.

Indonesia-U.S. Military Relations

Q. How about good will for relation of our military?

President Yudhoyono. Yes, we discussed with President Bush on the effort in normalizing our military-to-military relations. Of course Indonesia has to be thankful for the resumptions of IMET program. And we have to do more along with the reforms of the military that is conducted in Indonesia. I do hope that in the future we are moving ahead for fully normalizations of the military-to-military relations.

Actually, the atmosphere is positive that of course in part of Indonesia, we have to continue our reform to many things—toward the normalization of our military-to-military relations.

President Bush. The President did mention that we're revitalizing the military education training program. It makes sense that we have mil-to-mil exchanges, military-to-military exchanges. We want young officers from Indonesia coming to the United States. We want there to be exchanges between our military corps. That will help lead to better understandings. And so I—the President told me he's in the process of reforming the military, and I believe him. So this is the first step toward what will be fuller mil-to-mil cooperation.

Cameron [Carl Cameron, Fox News].

Bioethics/Stem Cell Research

Q. Again on stem cells, Mr. President. If I understood you correctly, the embryos put together for in vitro fertilization do contain life. And if that's the case, do you believe that those people who create those embryos for in vitro fertilization have an obligation to ensure that they are brought to term, if they are, in fact, not needed by the original——

President Bush. No, the issue that involves the Federal Government is whether or not we use taxpayers' money that would end up destroying that life. That's the issue at hand. And as you know, I'm the first President to say we could use Federal dollars on embryonic stem cells, but those stem cells had already—had been created, so that—it's from the moment I made the declaration forward that we would not use Federal taxpayers' money to destroy life. That's the issue. And the Congress has made its position clear, and I've made my position clear. And I will be vetoing the bill they send to me if it were to pass the United States Senate.

Now, there is research going on in the private sector. There's a lot of research on adult stem cells that appears to be very promising. And my Government strongly supports stem cells. There must be a balance—strongly supports adult stem cell research—but there must be a balance between science and ethics. And I've made my decision as to how best achieve that balance.

Indian Ocean Earthquake and Tsunamis Disaster Relief

Q. We understand that United States has pledged a commitment—a lot have pledged a commitment to the tsunami relief reconstruction and effort. I would like to ask, how is it going to be realized, the commitment?

President Bush. Well, the commitment was first realized when we moved an aircraft carrier with a lot of equipment into the neighborhood. And many of our Navy officers and Marine officers and Marine enlisted, Navy enlisted personnel were the first people on the ground to start helping

in coordination with the Indonesian Government.

That commitment is further being met by expenditures out of the United States Congress. Plus, I put together kind of an interesting group of private citizens to help raise money for the tsunami relief—that would be my father and President Clinton, number 41 and 42. And they have worked hard to convince our fellow citizens to contribute—these are private-sector citizens—to contribute to help provide relief as well. I'm proud of my Government's—more importantly, my country's commitment to help the people who suffer.

And the President and I talked a lot about the ongoing relief efforts. We thanked the Government for their hard work, and I told him the American people will stand with these folks.

Thank you all very much.

NOTE: The President spoke at 3:36 p.m. in the Oval Office at the White House.

Joint Statement Between the United States of America and the Republic of Indonesia
May 25, 2005

President George W. Bush and President Susilo Bambang Yudhoyono today reaffirmed the longstanding friendship between the United States of America and the Republic of Indonesia and committed to expand and deepen their cooperation based on partnership and our shared values of democracy and pluralism. The two leaders held productive discussions on issues of mutual concern at the bilateral, regional, and global levels.

President Bush and President Yudhoyono exchanged congratulations on the successful conduct of their respective elections last year. President Bush applauded Indonesia's enormous strides in building a durable democracy and noted that these successes truly reflect the determination and democratic spirit of the Indonesian people. Mindful of the importance of rule of law in building democracy and prosperity, the two Presidents agreed to establish a joint interagency working group to share experience and enhance cooperation on various justice-sector issues and related issues of mutual interest.

On behalf of the American people, President Bush once again expressed his sympathy to the Indonesian people and their government over the catastrophic loss of life and the material destruction caused by recent earthquakes and the December 2004 tsunami. He reiterated the commitment of the American people to stand by those affected as they rebuild, and he announced that Indonesia will receive $400 million of the total $857 million earmarked by the U.S. Government for earthquake and tsunami relief and reconstruction. The United States has offered to rebuild the Banda Aceh-Meulaboh highway—a 240-kilometer road with over 110 bridges that serves as a lifeline for much of the west coast of Aceh province—setting aside $245 million for the effort. The United States will also work with local and national authorities to rebuild homes, schools, and clinics and reestablish the means for the people of Aceh to return to work. The two Presidents pledged to work together to develop a Disaster Preparedness and Mitigation Action Plan to increase Indonesia's capacity to respond to disasters of all kind. While stressing that the primary responsibility for dealing with the tsunami disaster and its consequences lies with the government and people of Indonesia, President Yudhoyono

expressed deep appreciation for the outpouring of sympathy and generous financial assistance from the government of the United States and private American citizens. Recognizing the achievement of private U.S. citizens and companies in raising more than $1.4 billion for relief and reconstruction of the affected areas, the two Presidents welcomed the outcome of the Private Sector Summit held in Washington, D.C., on 12 May 2005. They commended the efforts of the private sector, led by former Presidents George Bush and Bill Clinton, in generating such generous contributions for the tsunami victims.

President Bush emphasized his government's support for Indonesia's territorial integrity and reiterated that the United States opposes secessionist movements in any part of Indonesia. He noted that a strong, united, democratic, and prosperous Indonesia will serve as a force for stability and progress in Asia and beyond. The President noted that reconstruction offers the opportunity for a new beginning in Aceh and gave his full support for President Yudhoyono's strong efforts to promote peace. He welcomed the ongoing talks to achieve a peaceful and lasting solution to the conflict, based on special autonomy within the framework of a united Indonesia.

President Bush and President Yudhoyono underscored their strong commitment to fight terrorism, which threatens the people of both nations and undermines international peace and security. The two leaders rejected any link between terrorism and religion and pledged to continue to work closely at the bilateral, regional, and global levels to combat terror.

President Bush and President Yudhoyono endorsed cultural and educational exchange visits and interfaith dialogue as means for promoting tolerance, mutual respect and mutual understanding. The two Presidents pledged to work together to support such initiatives. President Bush welcomed President Yudhoyono's intention to send prominent Indonesian Islamic scholars to the United States to promote inter-faith dialogue.

President Bush and President Yudhoyono agreed that normal military relations would be in the interest of both countries and undertook to continue working toward that objective. The two Presidents welcomed the resumption of Indonesia's participation in International Military Education and Training (IMET) as an important step. They also looked forward to the convening of the Third Indonesia-United States Security Dialogue in Jakarta in mid-2005 and called for further meetings of the Bilateral Defense Dialogue. They also praised the excellent humanitarian cooperation between the U.S. military and the Indonesian military during the tsunami emergency relief operations in Aceh. President Yudhoyono reaffirmed his commitment to further strengthen military reform, civilian control, and accountability. President Bush pledged his full support in these efforts. Encouraged by progress in the investigation of the 2002 incident in Timika, President Yudhoyono reaffirmed that he would intensify efforts to ensure that the suspect indicted by a U.S. Federal court for the 2002 Timika killings is apprehended and that all those responsible for these crimes are brought to justice.

The two Presidents discussed ways to strengthen U.S.-Indonesia economic cooperation and trade relations. President Yudhoyono briefed President Bush on his approach to Indonesia's development, which he termed "pro-growth, pro-job, and pro-poor." He also noted the urgent need to improve Indonesia's infrastructure and he invited Americans to participate in that undertaking. President Bush welcomed President Yudhoyono's determination to further economic reform, to combat corruption, and to improve the business and investment climate. Accordingly, the Presidents welcomed the $10 million G–8 pilot project to assist Indonesia in its efforts to improve the business climate. Stressing the benefits of an open trading system, the two

Presidents welcomed the resumption of Trade and Investment Council (TIC) talks, after a five-year hiatus, under the U.S.-Indonesia Trade and Investment Framework Agreement (TIFA). The two Presidents encouraged their delegations to continue to make further progress in resolving outstanding trade issues, with the aim of broadening and deepening our economic relationship.

President Bush and President Yudhoyono discussed the state of the world's energy situation and stressed the importance of strengthening cooperation and investment in the field of energy. To this end, they announced the resumption of bilateral energy consultations, the first round of which will be held on May 26, 2005, in Washington after an eight-year hiatus, and called on participants to report back on progress to the two Presidents before the APEC summit meeting later this year.

President Bush and President Yudhoyono reaffirmed the importance of education in U.S.-Indonesia relations and agreed to continue placing a high priority on cooperation in this field. President Yudhoyono recalled with appreciation President Bush's initiative during his visit to Bali in October 2003 to provide US$157 million to fund a six-year program designed to strengthen Indonesia's basic education capacity. The two leaders hailed the initial success of this program in enriching the educational experience of Indonesian children. They also agreed to expand opportunities and improve the quality of higher education for Indonesian students, including by increasing the number of Indonesian students studying in the United States.

President Bush and President Yudhoyono exchanged views on international developments, particularly those in the Asia-Pacific region. President Bush expressed appreciation for Indonesia's role in strengthening the Association of Southeast Asian Nations (ASEAN) and for efforts to achieve an ASEAN Security Community. The two Presidents exchanged views on Iraq and on prospects for peace in the Middle East, and they expressed support for two democratic states living side by side in peace and security. President Bush welcomed the intention of President Yudhoyono to help promote peace in the Middle East. President Bush congratulated President Yudhoyono on the successful convening of the Second Asian-African Summit in Jakarta, 23–24 April 2004.

The two Presidents welcomed the development in the Asia-Pacific region of an open and inclusive institutional architecture that reinforces peace and stability and contributes to economic development and prosperity. They welcomed the contributions of the Asia-Pacific Economic Cooperation (APEC) forum in supporting trade and investment liberalization and for its cooperative efforts to combat threats to regional security. The two leaders underlined the importance of multilateral cooperation and, in this context, agreed on the need to pursue reform of the United Nations as a means to improving its effectiveness.

The two leaders affirmed that the United States of America and Indonesia, two of the world's largest democracies, are bound by an abiding friendship and a common appreciation of diversity, tolerance, and freedom as a source of enduring strength.

NOTE: An original was not available for verification of the content of this joint statement.

Remarks With President Susilo Bambang Yudhoyono of Indonesia on the Observance of Asian Pacific American Heritage Month
May 25, 2005

President Bush. Thank you for coming. Good afternoon, and welcome to the White House. I am glad you're here. I'm proud to be with you to celebrate Asian Pacific American Heritage Month. And we are joined by a very special guest, a close friend of America, a man with whom I just had a very good visit, President Yudhoyono from Indonesia. Welcome, Mr. President.

Before we award our volunteer of the year awards, the President has graciously offered to give some remarks. And, unfortunately, I'm going to give some too. [*Laughter*] Before I begin I do want to introduce Agus and Edhie, the President's sons. Welcome. We're glad you're here. Agus will be getting married on July the 8th.

This is a time to celebrate the achievement of millions of Americans of Asian Pacific ancestry. Today, Asian Pacific Americans are making their mark in all walks of life, including business and politics and education and community service and the arts and science.

I'm fortunate to have many Asian American in my Cabinet and in my administration, two of whom are here with us today. I want to thank the Secretary of Labor, Elaine Chao, for joining us, and the Secretary of Transportation, Norm Mineta.

Andrew Natsios of USAID is here. Andrew, it's good you're here, because we're going to be talking about tsunami relief in a minute.

I want to thank Betty Wu, who is the Chairman of the President's Advisory Commission on Asian American and Pacific Islanders. I want to thank all the Commission members who are here today.

I want to thank my friend Ambassador Sichan Siv from the United Nations. Where is he? Where is Sichan? There he is. Welcome, Sichan. You did a fine job. I'm glad Martha is here.

Delegate Eni from Samoa, thank you for coming, sir. Proud you're here. Is Lisa here? Senator Murkowski just came in from the State of Alaska. Proud you're here.

I see we got a lot of members of the diplomatic corps who are here. Welcome, Ambassadors. Thank you for coming. Proud you're here.

And again, Mr. President, thank you for joining us as we celebrate Asian Pacific Heritage Month.

Indonesia and America may be on the opposite sides of the ocean, but we have a lot in common. We are both among the world's largest democracies. We both share a belief that our great diversity is a source of strength. And when the tsunami hit, citizens from both our countries took it upon themselves to come to the aid of those in distress.

The tsunami that began in the Indian Ocean struck Indonesia just 2 months after the President came into office. I understand that when the tsunami hit, His Excellency was in a remote province of his country. And the moment he heard what happened, he rushed to the scene. He didn't hesitate. He rushed to not only help but to make a personal assessment of what needed to be done. After declaring a national emergency, he moved quickly to clear away the bureaucratic obstacles and visa requirements so that the path would be clear for international relief workers.

By acting with skill and courage, Mr. President, you helped bring your country together in a time of great crisis. And thank you for that kind of leadership.

And the people of Indonesia responded in kind. Religious organizations and businesspeople and the Indonesian Red Cross and thousands of ordinary citizens

traveled at their own expense to the hard-hit province of Aceh to pitch in, to do their duty as a citizen of a free democracy.

And the need was great. More than 125,000 Indonesians have been confirmed dead. Think about that. Another 37,000 are missing. More than half a million have been forced from their homes. Your fellow citizens provided first aid, and you helped evacuate victims and distributed relief supplies. And it was a good example of how government and individuals work together.

But it was also important for the world to respond. And I'm proud of the response of the United States Government and her people. Our United States military was on the scene with an aircraft carrier. And we had sailors and marines working around the clock to show the people of your part of the world that our hearts are big, that we care about people from all walks of life, that the compassion of America runs deep and strong.

Shortly after the disaster struck, the United States pledged $350 million in aid for the region. Providing relief, our country has really, I hope, showed that we're a friend when you've got a problem. But a friend doesn't quit when a problem persists. And so earlier this month, Congress approved my request for additional tsunami relief and reconstruction help, bringing total U.S. aid to more than $850 million.

The people of your country need to know and the people of the countries affected by the tsunami relief need to know that when America gives a pledge to help, we'll keep our word, and that when America says that we stand with you, we mean it. So, Mr. President, please take this message back to the people of Indonesia.

Finally, I'm proud that volunteers from our Asian Pacific American community were among those who stepped forward to help the victims of the tsunami relief—of the tsunami. Their efforts ranged from serving on humanitarian missions to raising money to rebuilding an orphanage. Americans from all over our country, from all walks of life, used their time and talents and compassion to make a difference. Heck, I even called on two former Presidents—[*laughter*]—41 and 42—[*laughter*]—Bush and Clinton—[*laughter*]—to join together to send a message that we're not talking politics; we're talking about helping people get their feet back on the ground—get their feet back on the ground. We're talking about helping to save lives. That's the American spirit, Mr. President. That's how we like to do things in this country.

And today we've gathered to honor some of our fellow citizens with volunteer service awards. People from the Asian Pacific community have heard the call to serve something greater than themselves. And before we present those awards, however, Mr. President, I'm honored to welcome you to the White House and welcome you to the podium so that you can deliver a few remarks.

Please welcome the President.

President Yudhoyono. President Bush, distinguished guests, ladies and gentlemen. Thank you, Mr. President, for inviting me to join you here today. I stand before you here to deliver a message of thanks from a grateful nation halfway around the world.

My country, Indonesia, suffered most from the horrible tsunami last December. Some 200,000 people were killed in a matter of minutes, and over 500,000 survivors lost their homes.

When I arrived in Aceh the day after the tsunami, almost everything close to the sea had been destroyed, flattened to the ground, swept by the waves. Nothing had ever prepared us for something like this—nothing. It was under these circumstances that we experienced an incredible display of global solidarity immediately after the tsunami, and it was during this desperate time that American servicemen came and helped.

The USS *Abraham Lincoln* arrived with its much-needed helicopters to help deliver food and supplies to survivors that could

not be reached by land. And USS hospital ship *Mercy* provided medical care to the injured and the sick, at a time when we were all worried that more people would die from diseases than from the tsunami.

I remember my heart almost sank one day when I heard that a U.S. Seahawk helicopter had crashed. But I was glad to hear directly from Ambassador Lynn Pascoe that the crews were all right, even though their Seahawk had to make an emergency landing on a paddy field. And not surprisingly, the crews were itching to get back into action to save lives.

America has every reason to be proud for what your Government, your heroism, and your volunteers have done for the tsunami victims. This was a time for valor and selfless sacrifice. The tsunami produced a lot of heroes, heroes who saved lives, heroes who gave hope to those who are suffering. And Americans were among these heroes. You all should be proud of that.

The funds that have been collected from millions of Americans will be very helpful to help the Acehnese rebuild their lives. But I want you to know what really mattered was that they all came from the heart. What really mattered was that each of you reached not so much into your pocket as into the new depth of your conscience, compassion, and solidarity. What really mattered was that you saw the pain of others and tried to help. And with all our tears, words, and deeds, what we all did together was to prove that the greatest wrath of nature was no match for the greater force that is the human spirit.

I said something earlier about reaching out. Let me read you a letter from Maggie, a third-grader from K–4 Elementary in Charlevoix, Michigan, which, through some good fortune, I managed to obtain from AmeriCorps. Maggie was writing to a tsunami kid she did not know. This is what Maggie wrote: "Dear friends: Hi. My name is Maggie. I am sorry what happened in your country. I have heard some things about it. I hope your family and friends are okay. In church, I pray for you and your country. In school, we are raising money for your country. We have a loose-change bucket, and kids bring money in. Also, we are making tsunami bracelet to raise money, too. I have made you one. I hope you like it. I will continue praying for you and your country in church. Your friend, Maggie."

I faxed Maggie's letter to Aceh, to be passed on to an Acehnese youngster. And a few days later, I received a response letter from Nada Lutfiah, a young girl from Banda Aceh. That is what Nada looks like.

President Bush. There's your picture. Is this her?

President Yudhoyono. Yes, sorry. This is her. [*Laughter*] Nada looks like—[*applause*]. Nada Lutfiah. Nada wrote to Maggie, and I translate into English. "My good friend: Hello, friend. My name is Nada Lutfiah. I was so happy and my heart was touched to receive the letter you sent us. My family, my dad, mom, older brother, and younger brother have disappeared, and now I live with my cousins. I hope you are healthy and well where you are. I am so glad you are paying attention to us here. I hope to receive your bracelet in the coming days, because I want to wear it on my arm to remind me that I have new friend. Your friend, Nada."

I have asked my Ambassador Soemadi to personally deliver Nada's letter and photo to Maggie in Michigan.

These two letters are extraordinary, both in the words they conveyed and in the fact that two youngsters from entirely different background made a connection: An American girl who prays at church, collects loose change, and make bracelet for tsunami kids two oceans away; an Indonesian Muslim girl who lost all her family and wants to kill the pain and is eager just to be a kid again, just like Maggie. I think the world will be a better place if all of us start to have connections and conversation the way Maggie and Nada did.

I thank you very much.

President Bush. Mr. President, thank you very much for such a powerful speech. And it's in that spirit of compassion that we—it's my honor to now award the volunteer awards.

Commander, please read the citations.

[*At this point, Lt. Col. Steven T. Fisher, USA, Army Aide to the President, read the citations, and the awards were presented.*]

President Bush. Mr. President, I hope you can tell by the short presentation of—to some of our great citizens that the true strength of America, our true strength lies in the hearts and souls of our citizens.

I'm proud that you've joined us today. Thank you all for coming. May God bless our respective countries, and may God continue to bless the American people.

NOTE: The President spoke at 4 p.m. in the East Room at the White House. In his remarks, he referred to Ambassador Sichan Siv, U.S. Representative to the U.N. Economic and Social Council, and his wife, Martha; and Eni Faleomavaega, American Samoa's Representative to the U.S. Congress. President Yudhoyono referred to U.S. Ambassador to Indonesia B. Lynn Pascoe; and Indonesia's Ambassador to the U.S. Soemadi Brotodiningrat. The Asian/Pacific American Heritage Month proclamation of May 3 is listed in Appendix D at the end of this volume.

Statement on Senate Confirmation of Priscilla R. Owen as a United States Court of Appeals Judge for the Fifth Circuit
May 25, 2005

I applaud the Senate for voting to confirm Justice Priscilla Owen. She has served with distinction on the Supreme Court of Texas, has demonstrated that she strictly interprets the law, and brings a wealth of experience and expertise to the United States Court of Appeals for the Fifth Circuit. I urge the Senate to build on this progress and provide my judicial nominees the up-or-down votes they deserve.

The President's News Conference With President Mahmoud Abbas of the Palestinian Authority
May 26, 2005

President Bush. Thank you. Mr. President, it is my honor to welcome the democratically elected leader of the Palestinian people to the White House.

We meet at a time when a great achievement of history is within reach, the creation of a peaceful, democratic Palestinian state. President Abbas is seeking that goal by rejecting violence and working for democratic reform. I believe the Palestinian people are fully capable of justly governing themselves in peace with their neighbors. I believe the interests of the Israeli people would be served by a peaceful Palestinian state. And I believe that now is the time for all parties of this conflict to move beyond old grievances and act forcefully in the cause of peace.

President Abbas's election 4 months ago was a tribute to the power and appeal of democracy and an inspiration to the people across the region. Palestinians voted against

violence and for sovereignty, because only the defeat of violence will lead to sovereignty.

Mr. President, the United States and the international community applaud your rejection of terrorism. All who engage in terror are the enemies of a Palestinian state and must be held to account. We will stand with you, Mr. President, as you combat corruption, reform the Palestinian security services and your justice system, and revive your economy. Mr. President, you have made a new start on a difficult journey requiring courage and leadership each day, and we will take that journey together.

As we work for peace, other countries must step up to their responsibilities. Arab States must take concrete measures to create a regional environment conducive to peace. They must offer financial assistance to support the peaceful efforts of President Abbas, his Government, and the Palestinian people. And they must refuse to assist or harbor terrorists.

Israel must continue to take steps toward a peaceful future and work with the Palestinian leadership to improve the daily lives of Palestinians, especially their humanitarian situation. Israel should not undertake any activity that contravenes roadmap obligations or prejudice final status negotiations with regard to Gaza, the West Bank, and Jerusalem.

Therefore, Israel must remove unauthorized outposts and stop settlement expansion. The barrier being erected by Israel as a part of its security effort must be a security, rather than political, barrier. And its route should take into account, consistent with security needs, its impact on Palestinians not engaged in terrorist activities. As we make progress toward security and in accordance with the roadmap, Israeli forces should withdraw to their positions on September the 28th, 2000.

Any final status agreement must be reached between the two parties, and changes to the 1949 Armistice Lines must be mutually agreed to. A viable two-state solution must ensure contiguity on the West Bank, and a state of scattered territories will not work. There must also be meaningful linkages between the West Bank and Gaza. This is the position of the United States today; it will be the position of the United States at the time of final status negotiations.

The imminent Israeli disengagement from Gaza, parts of the West Bank, presents an opportunity to lay the groundwork for a return to the roadmap. All parties have a responsibility to make this hopeful moment in the region a new and peaceful beginning. That is why I assigned General Kip Ward, who is with us today, to support your efforts, Mr. President, to reform the Palestinian security services and to coordinate the efforts of the international community to make that crucial task a success. The United States also strongly supports the mission of the Quartet's special envoy, Jim Wolfensohn, to make sure that the Gaza disengagement brings Palestinians a better life.

To help ensure that the Gaza disengagement is a success, the United States will provide to the Palestinian Authority $50 million to be used for new housing and infrastructure projects in the Gaza. These funds will be used to improve the quality of life of the Palestinians living in Gaza, where poverty and unemployment are very high. I've also asked Secretary Rice to travel to Jerusalem and Ramallah before the beginning of the Israeli withdrawal. Secretary Rice will consult with Israelis and Palestinians on the disengagement, their shared commitments, and the way back on the roadmap.

As we work to make the disengagement succeed, we must not lose sight of the path ahead. The United States remains committed to the roadmap as the only way to realize the vision of two democratic states living side by side in peace and security. It is through the roadmap that the parties can achieve a final permanent status agreement through direct negotiations.

The people of the Middle East have endured a long period of challenge, and now we have reached a moment of hope. Leaders from around the world have made a moral commitment: We will not stand by as another generation in the Holy Land grows up in an atmosphere of violence and hopelessness. With concrete actions by the United States, the Palestinians, Israel, and other nations, we can transform this opportunity into real momentum.

Mr. President, we will work with you to help realize the dream of a free and democratic Palestine, to bring greater freedom, security, and prosperity to all peoples in the region, and to achieve the lasting peace we all seek.

Welcome back to the White House.

President Abbas. Thank you very much, Mr. President. I'd like to thank you for this warm welcome and express my view in order to strengthen the relationship between Palestine and the United States. The Palestinian people share with the American people the same values of peace, freedom, and democracy. We are confident that the two peoples will benefit from continuing and developing this relationship.

Today we have conducted very intensive and constructive discussions with you, Mr. President, and with your senior administration officials. We discussed ways to support the opportunities to revive and resume the peace process in the Middle East. These discussions afford us with the opportunity to emphasize the central and essential role played by you, Mr. President, and by your administration in supporting and advancing the peace process toward the realization of your vision of ending the Israeli occupation that started in 1967 and the establishment of a democratic, free, and independent Palestine to live side by side with the State of Israel, in order to create a better future for the peoples of the region. We have reiterated again to you, Mr. President, our strong commitment to the peace option, and through negotiations, we can achieve—the two sides can achieve their objectives.

We also discussed the efforts that have been undertaken by the Palestinian Authority throughout the past few months to bring about calm. These efforts have brought about the reduction of violence to the lowest level in 4 years and once again reopened the window of hope for progress toward peace. We emphasized our determination to maintain and preserve this calm. The Palestinian Authority exerts a great deal of efforts in reforming our security organizations, and the truth is, our efforts are fully supported by our own people who repeatedly reaffirmed their commitment to peace and negotiations.

In our talks, we also discussed the ongoing democratic process in Palestine. This process has successfully presented, through the Presidential elections and the local and municipal elections, that the Palestinians have succeeded in carrying out transparent and fair elections under very difficult circumstances, another example of the capability of our people and their ability to build an independent democratic state once we achieve our freedom and our independence.

We expect that our people will be helped and supported to make their democratic experiment a successful one. We look forward to the free movement and the freedom of movement and the removal of Israeli roadblock and checkpoints and the Israeli withdrawal to positions prior to September 28th, 2000, and as well as implementing the various understanding that we have reached with the Israeli Government in Sharm al-Sheikh. We stress that democracy cannot flourish under occupation and in the absence of freedom.

In this regard, we expressed our deep concern over the continuous Israeli settlement activities and the construction of the wall on our land, particularly in the area of Jerusalem. These settlement activities, in addition to undermining President Bush's vision in establishing a Palestinian and contiguous state, that it is a viable state that can live side by side by the State of Israel,

also contributes to the feeling of frustration and despair and the loss of hope. Stopping this is one of the requirements of the roadmap. Time is becoming our greatest enemy. We should end this conflict before it is too late.

We are extending our hands to the Israeli people in good intention. We are saying that peace and dialog and the recognition of the other side's rights is what will create a good neighborhood and achieve security and prosperity for our people and the peoples in the region.

We have assured the President that the Palestinian Authority is ready to coordinate with the Israeli side in order to ensure the success of its withdrawal from Gaza and the West Bank upon the Israeli evacuation. We see this evacuation as a part of ending the occupation, and it should not be at the expense of the West Bank. We must then immediately move to permanent status negotiations to deal with the issues of Al-Quds—East Jerusalem—as a capital of the future state of Palestine, the issues of refugees, settlements, borders, security, and water, on the basis of President Bush's vision and on the basis of U.N. resolutions and the basis of the Arab Initiative.

It is time for the Palestinian-Israeli conflict to end—right now. It is the time for our people, after many decades of suffering and dispossessions, to enjoy living in freedom and independence on their own land. And we should accelerate the freedom of our prisoners in order to be a part of peacemaking.

Mr. President, we end our discussions in Washington, and we are more determined to move forward in the path of freedom, reform, and democracy. We depart Washington; we are more confident about the role that you will play and the role that your administration will play in order to move the process forward and achieve lasting peace.

Mr. President, at the end, I would like to thank you very much for your hospitality and expressing the American—and demonstrating the American support to the Palestinian administration and the Palestinian people. We continue to look forward to work with you ahead in order to achieve our common objectives of peace, security, and democracy and freedom.

Thank you very much, Mr. President.

President Bush. Good job, good job. Two questions a side, starting with Terry [Terence Hunt, Associated Press].

Palestinian Democracy/Hamas

Q. Thank you, Mr. President. Mr. President, you just spoke about the rejection of terror. Are you satisfied that President Abbas is moving aggressively enough, doing everything he can to shut down terror groups? And do you think that he should, for example, close Hamas or remove from positions of power associates of Yasser Arafat?

President Bush. I believe that—and I know the President is committed to democracy. After all, he ran on a platform that said, "Vote for me. I'm for peace, and I believe in democracy." That's what he told the Palestinian people when he ran, and he won with 62 percent of the vote, I think it was. So in other words, he's committed. That's what he said he was going to do, and he's now fulfilling it.

Our position on Hamas is very clear. It's a well-known position, and it hasn't changed about Hamas. Hamas is a terrorist group. It's on a terrorist list for a reason. As the elections go forward, of course, we want everybody to participate in the vote. There is something healthy about people campaigning, saying, "This is what I'm for." The President ran on a peace platform. You know, maybe somebody will run on a war platform. You know, "Vote for me. I promise violence." I don't think they're going to get elected, because I think Palestinian moms want their children to grow up in peace just like American moms want their children to grow up in peace. As a matter of fact, I think the people that campaign for peace will win.

The goal of a—is, of course, a Palestinian state based upon rule of law, and you cannot have a democracy based upon rule of law if you have armed bands of people who will use their weapons to try to achieve a political outcome. We discussed this with the President. He can give you his own views. I will just tell you, he is—he believes strongly in democracy and understands that aspect of democracy.

And so I'm—I think there's something healing about asking people to vote. And hopefully, as more people participate and more people see progress on the ground in terms of real, tangible benefits when it comes to democracy like being able to make a living or being able to send your child to a school that works or being able to get good quality health care, that more and more people will reject the notion that the only—a state based upon violence is a positive state.

Israeli Settlements/Israeli Security Wall

Q. President Abbas, regarding settlements and the erection of the wall, are your positions before that you gave to your voters among the Palestinian public? And the question to President Bush, we heard your remarks. You talked about clear American position about the issue of settlements. But Israel continues to build settlements and continues to seize Palestinian territories. What is your position, Mr. President?

President Bush. Well, I told you what my position was. And it's exactly what I said when I was in Crawford, by the way, when Prime Minister Sharon was there as well. I mean, when you say you're going to accept the roadmap, you accept the roadmap, and part of the obligations of the roadmap is not the expansion of settlements. And we continue to remind our friends the Israelis about their obligations under the roadmap, just like we remind President Abbas about the obligations under the roadmap that the Palestinians have accepted. So nothing has changed.

Adam [Adam Entous, Reuters], yes.

Oh, I'm sorry. I beg your pardon.

President Abbas. The first one.

President Bush. I beg your—sorry, yes. Just trying to cut you off. [*Laughter*] It's an old Rose Garden trick.

President Abbas. Regarding the issue of settlements and the wall, our position is very clear from the beginning. When we talk about two states, we are talking about a Palestinian state within the boundaries of 1967. That means that those boundaries, in our views, should go back to the Palestinian people. This is what the roadmap states, and this is what is in various U.N. Security Council resolutions.

Also President Bush talked about ending the occupation that started in 1967. In our views, the wall—there is no justification for the wall, and it is illegitimate, as well as settlements. It is illegitimate and should not allow. We heard from the President that these activities should stop. I believe this is an important step in order to get to the permanent status negotiations. During the permanent status negotiations, we will put all these issues on the table. And we express our views that does not contradict international legitimacy.

President Bush. Now Adam.

Egyptian Presidential Elections

Q. Mr. President, President Bush, the First Lady, under the Egyptian pyramids this week, enthusiastically endorsed Mubarak's first steps towards direct Presidential elections. Two days later, Mubarak supporters attacked the opposition in the streets. Was it premature to back Mubarak? What's your message to Mubarak now?

President Bush. I also embraced President Mubarak's first steps and said that those first steps must include people's ability to have access to TV and candidates ought to be allowed to run freely in an election and that there ought to be international monitors. That's—and the idea of people expressing themselves in opposition to the government and getting a beating,

is not our view of how a democracy ought to work. It's not the way that you have free elections. People ought to be allowed to express themselves, and I'm hopeful that the President will have open elections that everybody can have trust in.

Final question here. Oh, sorry. That's what happens when you don't get called on.

Gaza/Palestinian Democracy

Q. To President Bush, Mr. President, Israel insists on controlling the Gaza airspace as well as the port, after its unilateral withdrawal. What practical steps are you prepared to take, sir, to deter Israel from doing so and ensuring that the Gaza disengagement remains an integral part of the roadmap?

And to President Abbas, in the article that was published in the Wall Street Journal today, you emphasized the link between democracy and freedom. Do you feel concerned that the new Palestinian democracy could go back under the occupation and under the lack of freedom? Thank you.

President Bush. Actually, my answer kind of ties into the question you asked the President. You know, one of the things when you are in the position I'm in, I'm able to observe attitudes and opinions. And clearly there's a lot of mistrust, and you can understand why. There's been war, violence, bloodshed. The only way to achieve all the objectives is for there to be a democracy living side by side with a democracy. And the best way to see—to solve problems that seem insoluble now is for there to be a society which evolves based upon democratic principles.

And so there's going to be a lot of issues that come up as this process evolves that are going to be difficult issues. But as more people trust each other, then those issues become easier to solve. And so one of my cautions to both sides in this very important problem is to make sure that we stay focused on getting things right initially, and what needs to happen is that Palestinians, with the world's help, fill the void created by the withdraw from Gaza with a society which is hopeful. And that means people can find work, and people can send their kids to school, the health care system functions well.

I told the President, there's a lot of international help that will be available, particularly as his Government earns the trust of the donors. And the best way to earn the trust of the donors is to work to develop this—to take advantage of this opportunity and develop a state. Israel has obligations to help. You noticed, in my statement I said "help improve the humanitarian situation on the ground." And America wants to help.

Now as a democracy evolves and people see that this is a Government fully capable of sustaining democratic institutions and adhering to rule of law and transparency and puts strong anticorruption devices in place, answers to the will of the people, that it becomes easier to deal with issues such as airspace. The West Bank will become an easier issue for everybody to meet obligations. We've got a fantastic opportunity now.

When I—I told the President, there's no doubt in my mind we can succeed. President Abbas is a man of courage. Part of the success is going to require courageous decision by the President. And I take great faith in not only his personal character but the fact that he campaigned on a platform of peace. He said, "Vote for me. I am for peace." And the Palestinians voted overwhelmingly to support him.

And so there will be a series of issues that come up—you know, how do we deal with this issue, or how do you deal with that issue—all of which will become easier to deal with as the Government succeeds in Gaza. And the United States stands with the Government to help them succeed.

President Abbas. Thank you. Regarding the democracy and freedom, I am saying that when we have chosen democracy as a way of life, this was not an adventure.

This was a determination and a strategy that democracy is the only way to move forward and for life among different nations. But democracy is like a coin; it has two sides. On one side it's democracy; on the other side of the coin is freedom.

It's true, now we lack freedom, and we are in dire need to have freedom. We do not live in freedom in our homeland. This will weaken the hope to continue this democracy and will weaken the democratic march. But we will not go back. Our strategy is clear, and we are determined to achieve our freedom in order to complete and achieve both sides of the coin, and we can live a normal life.

NOTE: The President's news conference began at 11:31 a.m. in the Rose Garden at the White House. In his remarks, he referred to Lt. Gen. William E. Ward, USA, Senior U.S. Security Coordinator, Department of State; outgoing World Bank President James D. Wolfensohn, Special Envoy for Gaza Disengagement; Prime Minister Ariel Sharon of Israel; and President Hosni Mubarak of Egypt. President Abbas spoke in Arabic, and his remarks were translated by an interpreter.

Commencement Address at the United States Naval Academy in Annapolis, Maryland
May 27, 2005

Thanks for the warm welcome. Secretary England, Admiral Clark, General Nyland, Vice Admiral Rempt, Captain Leidig, Dr. Miller, members of the Board of Visitors, Lieutenant Governor Steele and Congressman Hoyer, distinguished faculty, distinguished guests, proud parents, family, friends, and, most of all, the graduating midshipmen of the class of 2005, I'm honored to be here.

And I am proud to stand before the future leaders of the Navy and Marine Corps. And to celebrate the occasion, I thought I would bring along a small graduation gift. Too late to give you a "Staubach Day," so I'll do the next best thing. In keeping with longstanding tradition, I hereby absolve all midshipmen who are on restriction for minor conduct offenses. [*Laughter*] I will leave it to the Admiral to define exactly what "minor" means. [*Laughter*]

You worked hard to get to this moment. You survived Plebe Summer and having your parking tickets scraped. [*Laughter*] You climbed Herndon Monument and threw pennies at Tecumseh, god of the 2.0. I knew him pretty well when I was in school. [*Laughter*] Now, at last, you've made it to graduation day, and in a few moments, you will receive your military commissions and your diplomas. Your parents are proud of you; your teachers are proud of you; and so is your Commander in Chief. Congratulations on a great achievement.

A lot has changed since you arrived at Annapolis 4 years ago. Navy football went 0 and 10 in your plebe year. This year, you went 10 and 2, and you won your second Commander in Chief's Trophy in a row. I'd like the record to show that your turnaround started the year after I delivered your commencement address. [*Laughter*] So to ensure the continued domination of Navy football, I thought I'd just swing by for a return visit.

When I spoke to the class of 2001, none of us imagined that a few months later we would suffer a devastating surprise attack on our homeland or that our Nation would be plunged into a global war unlike any we had known before. Today, we face

brutal and determined enemies, men who celebrate murder, incite suicide, and thirst for absolute power. These enemies will not be stopped by negotiations or concessions or appeals to reason. In this war, there is only one option, and that is victory.

Today I'm going to talk about our strategy for victory in this war, what we've accomplished to make our Nation more secure, your crucial role in this struggle, and why we need you to fight the war on terror and transform our military at the same time. In the 21st century, America will be prepared to answer any challenge and defeat any adversary.

Our Nation is pursuing a clear strategy for the war on terror. We're using every available tool to disrupt terrorists and their organizations. We are taking the fight to the enemy abroad so we do not have to face them here at home. We're denying the terrorists sanctuary and making clear that America will not tolerate outlaw regimes that provide safe haven and support to terrorists. We're using all elements of national power to deny terrorists the chemical, biological, and nuclear weapons they seek. We will not allow mass murderers to gain access to the tools of mass destruction. And we're stopping terrorists from achieving their ideological victories they seek, by working to spread the hope of freedom and reform across the broader Middle East. We understand that free nations do not support terrorists or invade their neighbors. We understand to make the world more peaceful and our country more secure, we will advance the cause of liberty.

Thanks to the men and women of the United States military, our strategy is working; we are winning the war on terror. Since September the 11th, 2001, we've removed brutal regimes in Kabul and Baghdad that supported and harbored terrorists. We helped launch Afghanistan and Iraq on the path to lasting freedom by liberating over 50 million people. Both these nations have now chosen their leaders in free elections, and their courage is inspiring democratic reformers across the broader Middle East to rise up and claim their liberty.

To stop the spread of weapons of mass destruction, we broke up the world's most dangerous nuclear trading network. We convinced Libya's leader to give up his country's chemical and nuclear weapons programs as well as his long-range ballistic missiles. Two years ago, we launched the Proliferation Security Initiative, an effort supported by 60 nations to stop shipments of weapons of mass destruction on land, at sea, and in the air. We have gone after Al Qaida and other terrorists with relentless determination, disrupting their communications, planning, training, and financing. We have put the enemy on the run, and now they spend their days avoiding capture, because they know that America's armed services are on their trail.

And we will stay on their trail. The best way to protect our citizens is to stay on the offensive. In the last few weeks, we've dealt the enemy a series of powerful blows. In Afghanistan, we brought to justice scores of terrorists and insurgents. In Pakistan, one of Usama Bin Laden's senior terrorist leaders, a man named al-Libbi, was brought to justice. In Iraq, we captured two senior operatives of the terrorist Zarqawi. And in recent days, our forces have killed or captured hundreds of terrorists and insurgents in Baghdad and western Iraq and near the Syrian border. Across the world, our military is standing directly between the American people and the worst dangers in the world, and Americans are grateful to have such brave defenders.

Difficult and dangerous work remains. Suicide bombers in Iraq are targeting innocent men, women, and children, hoping to intimidate Iraq's new leaders and shake the will of the Iraqi people. They will fail. Iraqis are determined, and our strategy is clear. We will train Iraqi forces so they can take the fight to the enemy and defend their own country, and then our troops will

come home with the honor they have earned.

The midshipmen I addressed here 4 years ago are now serving bravely in this struggle. The new officers who sat in the chairs where you now sit could not have known that their strength and character would be tested so soon. In the last 4 years, they've met every test and overcome every challenge. And they are setting a lasting example of courage for the classes that follow.

Sitting in the crowd 4 years ago was Midshipman Edward Slavis. When I gave the order to liberate Iraq, he charged across the Kuwaiti border, leading a rifle platoon through 21 days of tough fighting into the heart of Baghdad. His battalion helped pull down the statue of Saddam Hussein. Ed says, "I will have time for myself later. Now I just feel privileged to spend my life doing something much larger than myself." He went on to say, "The mission will be a success, and 20 or 30 years from now, historians will look back on the mission to Iraq as America's golden moment." Ed Slavis is serving his country with courage, and he's adding to the history of this Academy.

Sitting in the crowd that day was Midshipman Josh Glover. He would soon risk his life in the city of Fallujah, fighting through a half-mile of enemy territory to rescue a platoon of Marines pinned down by insurgents. Josh says, "They had casualties and a Marine who had been killed. We were shooting 360 degrees." Josh and his men recovered that fallen Marine and saved the platoon and helped us win a critical battle in the war on terror.

Sitting in the crowd that day was a midshipman whose name I cannot mention because he went on to join the secret world of Navy special operations. He would soon deploy to Afghanistan with his Navy SEAL team, where he conducted lightning raids that captured dozens of Taliban and Al Qaida fighters. He even helped protect a very distinguished visitor to Afghanistan, the First Lady of the United States. And if he's out there listening, I've got a message for that courageous Navy frogman: Thanks for defending America, and thanks for taking such good care of my bride.

Also sitting in the crowd that day was Midshipman Bobby Rashad Jones. He would go on to serve as a deck division officer onboard the U.S.S. *Germantown,* ensuring the safe landing of marines and Seabees, in hostile territory during antiterrorist operations in the Philippines. Bobby was the "anchorman" of the class of 2001. He was the guy that gave me that bear hug. [*Laughter*] Four years later, my ribs still hurt—[*laughter*]—so don't get any ideas. [*Laughter*] Here's what Bobby says, "Once I got to my ship after 9/11, it did not matter where I graduated. The expectations of Annapolis graduates never change, and I am proud to be part of the elite and unique tradition of the United States Naval Academy." I want to thank Bobby for his service and thank Bobby for witnessing your graduation today.

The members of the class of 2001 have grown into experienced, battle-hardened Navy and Marine officers. They are serving our Nation with valor and distinction, and soon you'll join them. Four years at this Academy have prepared you morally, mentally, and physically for the challenges ahead. And now the American people are depending on you to uphold the high ideals you learned here as midshipmen. I know that in the war on terror, the members of the class of 2005 will walk with honor, and you will make America proud.

In this time of unprecedented dangers, we need you to take on two difficult missions at once: We need you to defeat the terrorists who want to destroy what we stand for and how we live; and at the same time, we need you to transform our military for the 21st century, so we can deter and defeat the new adversaries who may threaten our people in the decades ahead.

The lesson of September the 11th is clear: New dangers can arrive on our shores

without warning. In this era of surprise, we cannot know for certain who might attack us or where or when. But we can anticipate how we might be attacked, and we can transform our capabilities to defend our citizens and deliver justice to our enemies.

To meet the threats of the 21st century, we are developing new technologies that will make our forces faster, lighter, more agile, and more lethal. In our time, terrible dangers can arise on a short moment anywhere in the world, and we must be prepared to oppose these dangers everywhere in the world.

Since taking office, my administration has invested $16 billion to build transformational military capabilities. We've requested an additional 78 billion for these efforts over the next 4 years. We've invested $240 billion in research and development so we can build even more advanced capabilities in the decades ahead. We requested $275 billion for these efforts over the next 4 years. These investments will help us keep the peace by redefining war on our terms. And so long as I am your President, you will have the very best equipment and the resources you need to get the job done.

We've already seen the power of technology to transform our forces. In the 1991 Persian Gulf war, aircraft taking off from a carrier deck could engage about 200 targets per day. In Operation Iraqi Freedom, that number jumped to over 600 targets a day, 3 times the capability. And in each year, those capabilities are becoming more and more precise. In Iraq, we used a new HELLFIRE missile for the first time, which can take out enemy fighters hiding on one floor of a building, without destroying the floors above and below. This missile is capable of reaching around corners to strike enemy forces that hide in caves and bunkers and hardened multiroom complexes. In the coming years, there are going to be some awfully surprised terrorists when the thermobaric HELLFIRE comes knocking.

Revolutionary advances in technology are transforming war in our favor. And in the decades ahead, the changes will be even more dramatic. We will deploy unmanned underwater vehicles that can go where no submarine can go today. We will deploy advanced destroyers capable of shooting down ballistic missiles and transformed strike submarines that can silently carry special operation forces and cruise missiles within striking distance of our adversaries. We are developing joint sea bases that will allow our forces to strike from floating platforms close to the action, instead of being dependent on land bases far from the fight.

We're also harnessing advances in information technology, such as undersea surveillance systems, to provide our forces with near total battle-space awareness. And technology is allowing us to improve the ability of the Navy and Army and Air Force and Marines to work together as a truly joint force, with innovations like joint tactical radio that will allow all services to share information in the heat of battle. These technological advances will put unprecedented agility, speed, precision, and power in your hands, and you will use them to protect the American people in the dangerous decades ahead.

Technology changes the balance of war in a very important way. We can now strike our enemies with greater effectiveness, at greater range, with fewer civilian casualties. In this new era, we can target a regime, not a nation, and that means terrorists and tyrants can no longer feel safe hiding behind innocent life. In the 21st century, we can target the guilty and protect the innocent, and that makes it easier to keep the peace.

To meet the threats of the 21st century, we must reposition our forces at home and abroad. Today, much of our military is still deployed in ways that reflect the threats of the 20th century. So last summer, I announced the biggest transformation of our global force posture since the end of the World War II. Over the coming decade,

we will reposition our forces so they can surge quickly to deal with unexpected threats. We will deploy increased combat power across the world. And we will bring home between 60,000 to 70,000 uniformed personnel currently stationed overseas. These changes will reduce the stress on your families, raise the pressure on our enemies, and ensure that you remain the most powerful and effective fighting force on Earth.

To meet new threats, we must transform our domestic force posture as well, and that will require closing and realigning military bases. The military services have each done a review of their requirements, and they have concluded that we have more bases than we need. Supporting these facilities wastes billions of taxpayers' dollars, money that can be better spent on giving you the tools to fight terrorists and confront 21st-century threats. Two weeks ago, the Defense Department presented the military's recommendations to the Base Realignment and Closure Commission. This is only the beginning of the process. Commission members will now visit all the sites that the military has recommended for closure, and communities will have the opportunity to make their case directly to the Commission.

I know first hand how hard base closings can be on local communities. I was the Governor of Texas during the last round of base closures, when facilities were shut down in places like Lubbock and Laredo and Austin. We'll do everything possible to help affected communities make the transition as smoothly as possible, by providing economic development aid, job training, and assistance with redevelopment plans for affected bases. This process will be impartial and fair, and it will produce a net savings of $48 billion over the next 20 years. It will result in a military that is more efficient and better prepared, so you can better protect the American people against the dangers of this new century.

Transformation requires more than high-tech weapons; it requires creativity, ingenuity, and a willingness to try new things. All the advanced technology in the world will not transform our military if we do not transform our thinking.

Sometimes, transformation means using old capabilities in new ways. In Afghanistan, our troops rode into battle on horseback, but they did it while using GPS and advanced satellite communications to call in air strikes on enemy positions. They combined a staple of 19th century warfare with the most advanced 21st century technology, and they helped remove a dangerous threat to America.

As you begin your military careers, we need you to bring that same spirit of creativity and innovation to your work. Seek out the innovative leaders in our military, work with them and learn from them, and they will help you to become leaders yourselves. Show courage and not just on the battlefield. Pursue the possibilities others tell you do not exist.

This advice comes with a warning: If you challenge established ways of thinking, you will face opposition. Believe me, I know, I've lived in Washington for the past 4 years. The opponents of change are many, and its champions are few, but the champions of change are the ones who make history. Be champions, and you will make America safer for your children and your grandchildren, and you'll add to the character of our Nation.

And as you begin your military careers, proceed with confidence, because our citizens are determined, our country is strong, and the future belongs to freedom. Across the world, liberty is on the march. In the last 18 months, we have witnessed a Rose Revolution in Georgia, an Orange Revolution in the Ukraine, a Purple Revolution in Iraq, a Tulip Revolution in Kyrgyzstan, and a Cedar Revolution in Lebanon, and these are only the beginning. Across central Asia and the broader Middle East, we are seeing the rise of a new generation whose

hearts burn for liberty, and they are going to have it. America is standing with these democratic reformers because we know that the only force powerful enough to stop the rise of tyranny and terror and replace hatred with hope is the force of human freedom. And by extending freedom to millions who have not known it, we will advance the cause of peace and make America more secure.

Some of our men and women in uniform have given their lives in this cause, and others have returned home with terrible injuries. America honors their sacrifice, and we will uphold the cause they served. You are the ones who will take up their mantle and carry on their fight and ensure the triumph of liberty in the century ahead.

You are now part of the greatest force for freedom in the history of the world, the Armed Forces of the United States. In the years ahead, you will see dramatic changes taking place all around you. Yet amid all the tumult and change, there is one thing that won't change, and that is character of our men and women who wear the uniform. This is your generation's moment. Your mission is necessary, and it is noble. The weapons you use will be more powerful and precise than those available to Annapolis graduates who came before you, and you will face enemies they never imagined. But what will make your success possible is the same thing that made their success possible, the courage and honor and personal integrity that you learned at this Academy.

We're going to give you the tools you'll need to prevail in today's war on terror and the capabilities you'll need to protect us against the dangers that may yet emerge. Now the task is in your hands, and that means it is in the best of hands. Thank you for your courageous decision to serve. Bring honor to the uniform, security to our country, and peace to the world. And congratulations to every member of the class of 2005.

May God bless you.

NOTE: The President spoke at 10:12 a.m. in the Navy-Marine Corps Memorial Stadium. In his remarks, he referred to Secretary of the Navy Gordon R. England; Adm. Vern Clark, USN, Chief of Naval Operations; Gen. William L. Nyland, USMC, Assistant Commandant of the Marine Corps; Vice Adm. Rodney P. Rempt, USN, superintendent, Capt. Charles J. Leidig, Jr., USN, commandant of midshipmen, and William C. Miller, academic dean and provost, U.S. Naval Academy; Lt. Gov. Michael S. Steele of Maryland; Col. Muammar Abu Minyar al-Qadhafi, leader of Libya; Usama bin Laden, leader of the Al Qaida terrorist organization; Abu Faraj al-Libbi, senior Al Qaida associate arrested in Pakistan on April 30; and senior Al Qaida associate Abu Musab Al Zarqawi.

Letter to the Speaker of the House of Representatives Giving Notification of Intent To Reallocate Funds Previously Transferred From the Emergency Response Fund

May 27, 2005

Dear Mr. Speaker:

I am notifying the Congress of my intent to reallocate funds previously transferred from the Emergency Response Fund (ERF).

To promote democracy and freedom, $7.7 million of ERF funds will be reallocated within the Broadcasting Board of Governors to support the operational costs of Arabic radio and television broadcasting to the Middle East.

The details of this action are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

GEORGE W. BUSH

The President's Radio Address
May 28, 2005

Good morning. This Memorial Day weekend, Americans pay tribute to those who have given their lives in the service of our Nation. As we honor the members of our Armed Forces who have died for our freedom, we also honor those who are defending our liberties today.

On Friday, I met with some of the courageous men and women who will soon take their place in the defense of our freedom, the graduating class of the United States Naval Academy. These new officers will soon be serving on ships, flying combat missions, and leading our troops into battle against dangerous enemies. They are prepared for the challenges ahead, morally, mentally, and physically. The American people can be confident that their freedom is in good hands.

Our citizens live in freedom because patriots are willing to serve and sacrifice for our liberty. And on Monday, I will lay a wreath at Arlington National Cemetery in honor of those who have made the ultimate sacrifice. This year marks the 60th anniversary of the end of World War II, a victory for freedom in which more than 400,000 Americans gave their lives. Today, a new generation of Americans is making its own sacrifice on behalf of peace and freedom, and some have given their lives.

In their hometowns, these soldiers, sailors, airmen, and marines are more than names on a roll of honor. They were friends and neighbors, teachers and coaches, classmates and colleagues. Each was the most important person in someone's life. Each had hopes for the future, and each left a place that can never be filled. We mourn their loss, and we honor their sacrifice. We pray for their families. And we take heart in knowing that these men and women believed deeply in what they were fighting for.

Christopher Swisher was a staff sergeant from Lincoln, Nebraska, who joined the Army a year after graduating from high school. He was killed in an ambush while on patrol in Baghdad. Sergeant Swisher told his loved ones, "If anything happens to me, I'm doing what I want to be doing—I'm protecting my family and my home."

Rafael Peralta also understood that America faces dangerous enemies, and he knew the sacrifices required to defeat them. An immigrant from Mexico, he enlisted in the Marine Corps the day after he got his green card. Just before the battle of Fallujah, he wrote his 14-year-old brother, "We are going to defeat the insurgents. Be proud of me. I'm going to make history and do something that I always wanted to do." A few days later, Sergeant Peralta gave his life to save his fellow marines.

This Memorial Day, we remember Sergeant Peralta, Sergeant Swisher, and all who have given their lives for our Nation. And we honor them as we continue to wage the war on terror and spread freedom across the world. The people of Iraq and Afghanistan are determined to secure their freedom, and we will help them. We're training Iraqi and Afghan forces so they can take the fight to the enemy and defend their own countries, and then our troops will return home with the honor they have earned.

Throughout our history, America has fought not to conquer but to liberate. We go to war reluctantly, because we understand the high cost of war. Those who have given their lives to defend America have the respect and gratitude of our entire Nation.

Thank you for listening.

NOTE: The address was recorded at 7:45 a.m. on May 27 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on May 28. The transcript was made available by the Office of the Press Secretary on May 27 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks at a Memorial Day Ceremony in Arlington, Virginia
May 30, 2005

Thank you very much. Mr. Secretary, thank you. Secretary Nicholson, General Myers, Members of Congress, members of the United States military, veterans, honored guests, fellow Americans, especially those loved ones of the fallen: Every year on this day, we pause to remember Americans fallen by placing a wreath at the Tomb of the Unknowns. I'm honored to do that this morning on behalf of the American people. The names of the men buried there are known only to God, but their courage and sacrifice will never be forgotten by our Nation.

The soldiers, sailors, airmen, and marines we remember today answered the call of service in their Nation's hour of need. They stood to fight for America's highest ideals. And when the sun came up this morning, the flag flew at halfstaff in solemn gratitude and in deep respect.

At our National Cemetery, we receive the fallen in sorrow, and we take them to an honored place to rest. Looking across this field, we see the scale of heroism and sacrifice. All who are buried here understood their duty. All stood to protect America. And all carried with them memories of a family that they hoped to keep safe by their sacrifice.

At a distance, their headstones look alike. Yet every son or daughter, mom or dad who visits will always look first at one. General Eisenhower put it well in 1944, when he wrote his wife, Mamie, about "the homes that must sacrifice their best." The families who come here have sacrificed someone precious and irreplaceable in their lives, and our Nation will always honor them.

At our National Cemetery, we're reminded why America has always been a reluctant warrior. This year we celebrate the 60th anniversary of the end of World War II, a victory for which more than 400,000 Americans gave their lives. Their courage crossed two oceans, and it conquered tyrants. Some of you here today fought in that war as young men, and we make this pledge to you: America will always honor the character and the achievements of your brave generation.

Today we also remember the Americans who are still missing. We honor them, and our Nation is determined to account for all of them.

Another generation is fighting a new war against an enemy that threatens the peace and stability of the world. Across the globe, our military is standing directly between our people and the worst dangers in the world, and Americans are grateful to have such brave defenders. The war on terror has brought great costs. For those who have lost loved ones in Afghanistan and Iraq, today is a day of last letters and fresh

tears. Because of the sacrifices of our men and women in uniform, two terror regimes are gone forever, freedom is on the march, and America is more secure.

At our National Cemetery, we take comfort from knowing that the men and women who are serving freedom's cause understand their purpose and its price. Marine Captain Ryan Beaupre of St. Anne, Illinois, was killed in the first hours of the war. He wrote his mom and dad a letter that was to be opened only in the event he didn't come home. He wrote, "Realize that I died doing something that I truly love for a purpose greater than myself."

Army Sergeant Michael Evans of Marrero, Louisiana, felt the same way. He was killed on January 28th while on patrol in western Baghdad. In his own farewell letter to his family, the 22-year-old reminded those he left behind to stay strong. He said, "My death will mean nothing if you stop now. I know it will be hard, but I gave my life so you could live. Not just live but live free."

For some of our young heroes, courage and service was a family tradition. Lance Corporal Darrell Schumann of Hampton, Virginia, was a machine gunner for the Marines, but his parents were Air Force. He liked to say, "Air Force by birth, Marine by choice, and American by the grace of God." Corporal Schumann was among the first to enter the battle against insurgents in Fallujah, and he was proud of what he—what we are achieving. He later died in a helicopter crash. In his last letter from Iraq, he wrote, "I do wish America could see how awesome a job we're doing."

These are the men and women who wear our uniform. These are the men and women who defend our freedom. And these are the men and women who are buried here. As we look across these acres, we begin to tally the cost of our freedom, and we count it a privilege to be citizens of the country served by so many brave men and women. And we must honor them by completing the mission for which they gave their lives, by defeating the terrorists, advancing the cause of liberty, and building a safer world.

A day will come when there will be no one left who knew the men and women buried here. Yet Americans will still come to visit, to pay tribute to the many who gave their lives for freedom, who liberated the oppressed, and who left the world a safer and better place. Today we pray that they have found peace with their Creator, and we resolve that their sacrifice will always be remembered by a grateful Nation.

May God continue to bless America.

NOTE: The President spoke at 11:27 a.m. in the Amphitheater at Arlington National Cemetery. In his remarks, he referred to Secretary of Defense Donald H. Rumsfeld; Secretary of Veterans Affairs R. James Nicholson; and Gen. Richard B. Myers, USAF, Chairman, Joint Chiefs of Staff. The Prayer for Peace, Memorial Day proclamation of May 20 is listed in Appendix D at the end of this volume.

The President's News Conference
May 31, 2005

The President. Thank you. Please be seated. I hope you enjoyed your Memorial Day weekend.

My message to Congress when they come back is this, that our economy is strong, but we need to work together to make sure that we continue to have a prosperous economy, so people can find jobs. I say it's strong because we've added over 3.5 million new jobs over the last 2 years,

and the unemployment rate is 5.2 percent. More Americans are working today than ever before. Homeownership is at an all-time high. Small businesses are flourishing. Families are taking home more of what they earn.

Obviously, these are hopeful signs. But Congress can make sure that the signs remain hopeful, and here are four good things they need to do.

First, they need to finish the work on an energy bill. We've gone more than a decade without an energy strategy. And as a result, we have grown more dependent on foreign sources of energy, and consumers see the consequences of that at the gas pump on a daily basis.

For the past 4 years, I've called on Congress to pass legislation that encourages energy conservation, that promotes domestic production in environmentally friendly ways, that helps diversify away from foreign oil, that modernizes the electricity grid, that's got a substantial amount of research and development money to help us transition from the hydrocarbon economy to a diversified source of energy economy.

The House passed a bill, and the Senate Energy Committee passed an energy bill this past week. I appreciate their good work. Now they need to get the bill off the floor, into conference, resolve their differences, and get me a bill before the August recess. That's what the American people expect, and that's what I expect.

Second, Congress needs to be wise about the taxpayers' dollars. I proposed a disciplined Federal budget that holds discretionary spending growth below the rate of inflation and reduces discretionary spending for nonsecurity programs. The House and the Senate have worked together to pass a responsible budget resolution that meets our priorities and keeps us on track to cut the deficit in half by 2009. The weeks ahead will bring important decisions on spending bills, and the weeks ahead will bring in efforts to rein in mandatory spending. We look forward to working with Congress to do just that. Congress must keep its commitment to spending restraint if we want this economy to continue to grow.

Third, Congress needs to ratify the Central American and Dominican Republic Free Trade Agreement; that's called CAFTA. This agreement is a good deal for American workers and farmers and small businesses. See, about 80 percent of the products from Central America and the Dominican Republic now enter the United States duty-free, yet our exports to Central America and the Dominican Republic face hefty tariffs. CAFTA will level the playing field by making about 80 percent of American exports to those countries duty-free. I've always said I'm for free and fair trade. This makes our trade with the CAFTA countries fair, and that's important. After all, the CAFTA agreement will open a market of 44 million consumers to our producers, to our workers, the products that our workers make, to our farmers.

We'll lower barriers in key sectors like textiles, which will make American manufacturers more profitable and competitive in the global market. It will keep jobs here in America. And it will support young democracies. And that's going to be important. There's a geopolitical as well as economic concern for CAFTA. And Congress needs to pass this piece of legislation.

And finally, Congress needs to move forward with Social Security reform. I'm going to continue traveling our country talking about Social Security reform. I'll remind our seniors who are getting a check today that nothing will change, and yet I'm going to continue to remind the people that we've got a serious problem for younger workers. Part of Social Security reform, Congress should ensure that future generations receive benefits equal to or greater than the benefits today's seniors get. And Congress should help those who rely most on Social Security by increasing benefits faster for low-income workers than those workers who are better off.

And as we permanently solve the Social Security problem, we need to make Social Security a better deal for younger workers by allowing them to take some of their own money and invest it in a voluntary personal savings account. A voluntary personal savings account is very similar to the personal savings account Members of Congress can do. See, my attitude is, if a personal savings account—a voluntary personal savings account is good enough for a Member of the United States Congress or a Member of the United States Senate—in other words, they felt that was a good enough deal for them so they could get a better rate of return—it surely seems like it's good enough for workers across the country.

And so I look forward to working with the United States Congress on these priorities to help strengthen the long-term economic security of the country. The American people expect people of both parties to work together. They look forward to the Congress setting aside partisan differences and getting something done. And so do I. I'm looking forward to that. So I look forward to welcome the Congress back and working together with them.

And now, I'll be glad to take some of your questions. Terry [Terence Hunt, Associated Press], why don't you start.

Situation in Iraq

Q. Thank you, Mr. President. Mr. President, since Iraq's new Government was announced on April 28th, more than 60 Americans and 760 Iraqis have been killed in attacks. Do you think that the insurgency is gaining strength and becoming more lethal? And do you think that Iraq's Government is up to the job of defeating the insurgents and guaranteeing security?

The President. I think the Iraq Government will be up to the task of defeating the insurgents. I think they dealt the insurgents—I think the Iraqi people dealt the insurgents a serious blow when they—when we had the elections. In other words, what the insurgents fear is democracy, because democracy is the opposite of their vision. Their vision is one where a few make the decision for many, and if you don't toe the line, there's serious consequences.

The American people have just got to think about the Taliban if you're interested in thinking—understanding how the insurgents think. They have a—they support an ideology that is the opposite of freedom, in my judgment, and they're willing to use the tools necessary—the terror tools necessary to impose their ideology. And so what you're seeing is a group of frustrated and desperate people who kill innocent life. And obviously, we mourn the loss of every life. But I believe the Iraqi Government is going to be plenty capable of dealing with them, and our job is to help train them so that they can.

I was heartened to see the Iraqi Government announce 40,000 Iraqi troops are well-trained enough to help secure Baghdad. That was a very positive sign. It's a sign that they, the Iraqi leaders, understand they are responsible for their security, ultimately, and that our job is to help them take on that responsibility.

So I'm pleased with the progress. I am pleased that in less than a year's time, there's a democratically elected Government in Iraq; there are thousands of Iraqi soldiers trained and better equipped to fight for their own country; that our strategy is very clear in that we will work to get them ready to fight, and when they're ready, we'll come home. And I hope that's sooner rather than later. But nevertheless, it's very important that we complete this mission, because a free Iraq is in our Nation's long-term interests. A democracy in the heart of the Middle East is an essential part of securing our country and promoting peace for the long run. And it is very important for our country to understand that. A free Iraq will set such a powerful example in a neighborhood that is desperate for freedom. And therefore, we will complete

the mission and support this elected Government.

Of course, they've got other tasks. They've got to write a constitution and then have that constitution ratified by the Iraqi people, and then there will be another election. And we, of course, will help them as will many countries around the world.

Steve [Steve Holland, Reuters].

YUKOS Oil Co., Case in Russia

Q. The former head of Russia's oil company, Yukos, was sentenced to 9 years in a prison camp today. Do you think the Kremlin went after him because he was a political threat? Are there any repercussions to U.S.-Russian relations as a result of this case?

The President. I expressed my concerns about the case to President Putin because, as I explained to him, here you're innocent until proven guilty, and it appeared to us, or at least people in my administration, that it looked like he had been judged guilty prior to having a fair trial. In other words, he was put in prison and then was tried. I think what will be interesting—and so we've expressed our concerns about the system.

What will be interesting to see is whether or not he appeals. There's a—I think we think he is going to appeal—and then how the appeal will be handled. And so we're watching the ongoing case.

David [David Gregory, NBC News].

Iranian and North Korean Weapons of Mass Destruction

Q. Mr. President, thank you. I wonder if you can explain the administration's decision to allow Iran, in its negotiations with the Europeans, to get WTO status, ascension into the WTO, whether you think that deal, in a sense, has legs. And also, you talked about Iraq being a powerful symbol in that part of the world. One of the things you said going into the war was that it would deter other countries, rogue nations, from developing weapons of mass destruction. And when you think about North Korea and Iran, the opposite is true. They haven't been deterred at all. Why do you think that is?

The President. The first part of your question was about our agreement that Iran should apply for WTO. In other words, we said, "Fine. If you want to apply for WTO, go ahead and apply." That's—and we did that to facilitate the EU–3 discussions with Iran.

I've always believed that the—obviously, the best way to solve any difficult issue is through diplomacy. And in this case, France, Great Britain, and Germany are handling the negotiations on behalf of the rest of the world, which is—those nations which are deeply concerned about Iran having a nuclear weapon.

Now, our policy is very clear on that, and that is that the Iranians violated the NPT agreement. We found out they violated the agreement, and therefore, they're not to be trusted when it comes to highly enriched uranium—or highly enriching uranium. And therefore, our policy is to prevent them from having the capacity to develop enriched uranium to the point where they're able to make a nuclear weapon.

Secondly—and so therefore, we're working with the EU–3 to hopefully convince the Iranians to abandon their pursuits of such a program. And it appears we're making some progress.

So our decision was to allow them to join the WTO—or to apply to join the WTO, which is not ascension to the WTO; it's the right to make an application—seemed like a reasonable decision to make in order to advance the negotiations with our European partners.

Secondly, in terms of North Korea, North Korea had a weapons program that they had concealed, as you might recall, prior to 2002. As a matter of fact, it was prior to 2000—it was a bilateral—so-called bilateral agreement between North Korea and the United States. And it turns out

that they had violated that agreement because they were enriching uranium, contrary to the agreement. And we caught them on that. And therefore, I decided to change the policy to encourage other nations to be involved with convincing North Korea to abandon its weapons program. And that's where we are.

And it's important to have China at the table, for example, saying the same thing that the United States is saying, and that is, is that if you want to be a responsible nation, get rid of your weapons programs. It's important to have Japan and South Korea and Russia saying the same thing.

We've got a lot of work to do with the North Korean because he tends to ignore what the other five nations are saying at times. But that doesn't mean we're going to stop, and can continue to press forward to making it clear that if he expects to be treated as a responsible nation, that he needs to listen to the five nations involved.

Thank you.

Q. Would you acknowledge that the war did not deter Iran and North Korea from continuing to pursue their program?

The President. North Korea had its weapons program before, as you know, as did Iran. And as I also told you, David, that we want diplomacy to work, and it's—we want diplomacy to be given a chance to work. And that's exactly the position of the Government. Hopefully it will work. I think it will.

Stretch [Richard Keil, Bloomberg News].

Tax Cuts

Q. Thank you, Mr. President. A few moments ago, you mentioned four economic priorities that Congress has to address to keep the economy, in your words, going on the right track and getting stronger. I noticed you didn't mention making permanent the tax cuts that had been passed during your first term. Was that an oversight, or do you think that sacrificing some of those tax cuts might ultimately be necessary to help balance the budget deficit?

The President. Actually, in my budget, as you know, the budget I submitted, we—was one that encouraged permanency. I believe it's essential that we have the tax cuts be permanent. It was implicit in my statement. I haven't changed. Appreciate your clarification. Congress needs to make the tax cuts permanent.

Thalia [Thalia Assuras, CBS News]. And then we go to Terry [Terry Moran, ABC News].

Social Security Reform

Q. Mr. President, you talked on your reelection about having political capital. You have a Republican Congress. How, then, do you explain not being able to push through more of your agenda, especially when it comes to Social Security reform, which the public does not seem to be accepting and your own party is split on?

The President. Well, first of all, I think the public does accept the fact that Social Security is a problem. You might remember a couple of months ago around this town people were saying, "It's not a problem. What's he bringing it up for? Nobody sees it as a problem except for him." And then all of a sudden, people began to look at the facts and realize that in 2017, Social Security—the pay-as-you-go system will be in the red, and in 2042, it's going to be bankrupt. And people then took a good, hard look at the numbers and realized that Social Security is a problem.

And that's the first step toward getting Congress to do something. See, once they hear from the people, we got a problem, the next question the people are going to ask, "What do you intend to do about it?"

My second goal has been to convince and assure seniors that nobody's going to take away their checks. As a veteran of American politics, I have withstood the onslaught that said, "When George W. talks about reforming Social Security, that means he's going to take away your check." Over the last 4 years, seniors didn't have their checks taken away, so, hopefully, they're

beginning to realize that some of these—some of this politics is ringing hollow. But it's very important for seniors to understand that when we talk about Social Security reform, that they're going to get their check, because there's a lot of people relying upon their Social Security checks.

Thirdly—and so we're just making progress, and this is just the beginning of a very difficult debate. I recognize some in Congress wished I hadn't have brought the issue up. I mean, the easy path is to say, "Oh, we don't have a problem. Let's ignore it yet again." But I view my role as the President as somebody who puts problems on the table and then calls people together to solve them.

This is an issue that really hasn't spent—had that much time in the Halls of Congress—the debate—hasn't been debated in the Halls of Congress since 1983. And so I'm not surprised that there's a reluctance, and I'm not surprised that there's been some initial push-back. But all that does is make me want to continue to travel and remind people that Congress has a duty to come up with some solutions.

They're beginning to have hearings in the Congress. The Ways and Means and the Finance Committee in the Senate are going to have hearings. There's some interesting ideas that have been proposed. We've proposed some interesting ideas. One idea is to make sure that low seniors—low-income seniors get benefits such that when they retire, they're not in poverty. We proposed a plan that takes the—solving the issue about solvency farther down the road than any other President has proposed. In other words, we're putting ideas out.

And so I look forward to working with Congress. There is a duty to respond. There's a duty for people to bring forth their ideas. Now that people understand there's a problem, people who have been elected say, "Okay, here's what I intend to do about it." And we're doing our duty, and I expect people from both parties to do it as well.

Listen, I readily concede there is this attitude in Washington where we can't work together because one party may benefit and the other party may not benefit. The people don't like that. They don't like that attitude. They expect members of both parties to come together to solve problems. And Social Security is a serious problem that requires bipartisan cooperation to solve the problem.

Terry.

Q. Mr. President——

The President. Terry.

Allegations of Prisoner Abuse

Q. Thank you, sir. Mr. President, recently, Amnesty International said you have established "a new gulag" of prisons around the world, beyond the reach of the law and decency. I'd like your reaction to that and also your assessment of how it came to this, that that is a view not just held by extremists and anti-Americans but by groups that have allied themselves with the United States Government in the past, and what the strategic impact is that in many places of the world, the United States these days, under your leadership, is no longer seen as the good guy.

The President. I'm aware of the Amnesty International report, and it's absurd. It's an absurd allegation. The United States is a country that is—promotes freedom around the world. When there's accusations made about certain actions by our people, they're fully investigated in a transparent way. It's just an absurd allegation.

In terms of the detainees, we've had thousands of people detained. We've investigated every single complaint against the detainees. It seemed like to me they based some of their decisions on the word of—and the allegations—by people who were held in detention, people who hate America, people that had been trained in some instances to disassemble [dissemble] *—that means not tell the truth. And so it was

* White House correction.

an absurd report. It just is. And you know—yes, sir.

Legislative Agenda

Q. Sir, you mentioned a moment ago a push-back. And there's a perception that Congress has been pushing back recently. My question is, do you worry that you might be losing a bit of momentum?

The President. Well, I'm—my attitude toward Congress is—will be reflected on whether or not they're capable of getting anything done. We got a good budget out of Congress, and we got some legal reform out of Congress. We got Priscilla Owen confirmed in the Senate, which is a positive thing. It looks like we'll get a couple of more judges on the appellate bench confirmed. But I think the standard by which Congress should be judged is whether or not they can get an energy bill, and I think they will. And I look forward to working with them on an energy bill.

Obviously—I mentioned CAFTA—we've got to get CAFTA, which is a very important trade agreement. It will be good for workers. And I'm looking forward to working with them on Social Security. Those are big issues that require action. Again, things don't happen instantly in Washington, DC. I know that part of your job is to follow the process and follow the politics and who's up and who's down, but I've been around here long enough now to tell you it's just—and tell the people listening—things just don't happen overnight. It takes a while.

And one thing is for certain; it takes a President willing to push people to do hard things. Because, keep in mind, we haven't had an energy strategy in this country for over a decade. And the Social Security issue hasn't been on the table since 1983—I mean, seriously on the table. And so I'm asking Congress to do some difficult things. And I'm going to keep asking them to do some difficult things. And I'm optimistic, when it's all said and done, that we will have come together and have helped solve some of these significant problems.

Q. Are you worried, sir, that you're losing some of your push?

The President. I don't worry about anything here in Washington, DC. I mean, I feel comfortable in my role as the President, and my role as the President is to push for reform. The American people appreciate a President who sees a problem and is willing to put it on the table.

Listen, admittedly, I could have taken the easy route and said, "Let's don't discuss Social Security until somebody else shows up in Washington." But that's not what the American people want from their President. And we have a serious problem in Social Security. Thalia asked about the Social Security issue, and I reminded her that the attitude is beginning to shift here in Washington, because for a while, people here said there really wasn't a significant problem and, "I wish he hadn't have brought it up." And now people are beginning to see the realities of Social Security and the fact that we're about to pass on a huge burden to a young generation of Americans—a burden, by the way, which doesn't have to be passed on. We can permanently solve Social Security and should permanently solve it. And I've laid out some initiatives to get us on the way to permanently solving Social Security.

I look forward to the day of sitting down with Republicans and Democrats and congratulating both political parties on doing what's right for the American people—a day, by the way, the American people expect to come as well.

VandeHei [Jim VandeHei, Washington Post].

Elections in Egypt/Uzbekistan

Q. Two questions about the consistency of a U.S. foreign policy that's built on the foundation of spreading democracy and ending tyranny. One, how come you have not spoken out about the violent crackdown in Uzbekistan, which is a U.S. ally in the

war on terror, and why have you not spoken out in favor of the pro-democratic groups in Egypt that see the election process there unfolding in a way that is anything but democratic?

The President. Well, I thought I did the other day, in terms of the Egyptians. I think you were traveling with Laura, maybe just got back, but I was asked about the Egyptian elections, and I said we expect for the Egyptian political process to be open and that for people to be given a chance to express themselves open—in an open way, in a free way. We reject any violence toward those who express their dissension with the Government. Pretty confident I said that with President Abbas standing here—maybe not quite as articulately as just then.

In terms of Uzbekistan—thanks for bringing it up—we've called for the International Red Cross to go into the Andijon region to determine what went on, and we expect all our friends as well as those who aren't our friends to honor human rights and protect minority rights. That's part of a healthy and a peaceful world, will be a world in which governments do respect people's rights. And we want to know fully what took place there in Uzbekistan, and that's why we've asked the International Red Cross to go in.

Let's see—Carl [Carl Cameron, FOX News].

Nomination of John R. Bolton

Q. Thank you, Mr. President. On your nomination of Mr. Bolton to the United Nations, it is now, by most accounts, under a filibuster, the Democrats refusing to invoke cloture last week. I wonder if you could address their demands for ongoing documents, in the case of Mr. Bolton's nomination as well as what many Republicans have now criticized as a pervasive attitude of filibustering on behalf of the opposition on Capitol Hill.

The President. You know, I thought—I thought John Bolton was going to get an up-or-down vote on the Senate floor, just like he deserves an up-or-down vote on the Senate floor, and clearly he's got the votes to get confirmed. And so I was disappointed that once again, the leadership there in the Senate didn't give him an up-or-down vote. And the reason it's important to have an up-or-down vote is because we need to get our Ambassador to the United Nations to help start reforming that important organization.

As I mentioned to you, I think at the press conference in the East Room, that the reason I picked Bolton is he's a no-nonsense kind of fellow who can get things done. And we need to get something done in the United Nations. This is an organization which is important. It can help a lot in terms of the democracy movement; it can help deal with conflict and civil war. But it's an organization that is beginning to lose the trust of the American people, if it hasn't already, and therefore, we need to restore that trust. We pay over $2 billion a year into the United Nations, and it makes sense to have somebody there who's willing to say to the United Nations, "Let's—why don't you reform? Let's make sure that the body works well and there's accountability and taxpayers' money is spent wisely." And it's important that people in America trust the United Nations, and Bolton will be able to carry that message.

Now, in terms of the request for documents, I view that as just another stall tactic, another way to delay, another way to not allow Bolton to get an up-or-down vote. We have—we've answered questions after questions after questions. Documents were sent to the Intelligence Committee. The Intelligence Committee reviewed the NSA intercept process and confirmed that Bolton did what was right. And so it's just a stalling tactic. And I would hope that when they get back that they stop stalling and give the man a vote. Just give him a simple up-or-down vote.

Q. What about the filibuster as a tactic, in general, sir?

The President. Well, it's certainly been a tactic that's been used on judges and Bolton, if this is a filibuster. I don't know what you call it. I'm not sure they actually labeled it filibuster. I'd call it—thus far, it's a stall—stall headed toward filibuster, I guess. All I know is the man is not getting a vote, and it's taking a long time to get his vote. And we've—he's been through hearings and questions and questionnaires. And it's pretty obvious to the American people and to me that you can tie up anything in the United States Senate if you want to. But it also ought to be clear that we need to get an ambassador to the United Nations as quickly as possible. And so I hope he gets a vote soon.

Dick [Richard Stevenson, New York Times].

Bioethics/Stem Cell Research

Q. Thank you, sir. Last week you made clear that you don't think there's any such thing as a spare embryo. Given that position, what is your view of fertility treatments that routinely create more embryos than ever result in full-term pregnancies? And what do you believe should be done with those embryos that never do become pregnancies or result in the birth of a child?

The President. As you know, I also had an event here at the White House with little babies that had been born as a result of the embryos that had been frozen—they're called "snowflakes"—indicating there's an alternative to the destruction of life.

But the stem cell issue, Dick, is really one of Federal funding. That's the issue before us and that—is whether or not we use taxpayers' money to destroy life in order to hopefully find cure for terrible disease. And I have made my position very clear on that issue, and that is I don't believe we should. Now, I made a decision a while ago that said there had been some existing stem cells, and therefore, it was okay to use Federal funds on those because the life decision had already been made. But from that point going forward, I felt it was best to stand on principle, and that is taxpayers' money to use—for the use of experimentation that would destroy life is a principle that violates something I—I mean, is a position that violates a principle of mine. And so—and I stand strong on that, to the point where I'll veto the bill as it now exists.

And having said that, it's important for the American people to know that there is some Federal research going on, on stem cells—embryonic stem cells today. There's been over 600 experiments based upon the stem cell lines that existed prior to my decision. There's another 3,000 potential experiments, they tell me, that can go forward. There's a lot of research going on, on adult stem cell research. We've got an ethics panel that has been—that is in place, that will help us, hopefully, develop ways to continue to figure out how to meet the demands of science and the need for ethics so that we can help solve some of these diseases.

And listen, I understand the folks that are deeply concerned for their—a child who might have juvenile diabetes. I know that the moms and dads across the country are in agony about the fate of their child. And my message to them is, is that there is research going on, and hopefully we'll find the cure. But at the same time, it's important in the society to balance ethics and science.

Ed [Ed Chen, Los Angeles Times].

North Korea

Q. Good morning, Mr. President. This morning you reiterated diplomacy as the way to deal with North Korea. With all due respect, some people say that's precisely the wrong approach because diplomacy has produced nothing, while at the same time it has allowed North Korea to progress in its nuclear program.

The President. Yes.

Q. How do you—what do you say to them?

The President. Well, then let's see. If it's the wrong—if diplomacy is the wrong approach, I guess that means military. That's how I view it. It's either diplomacy or military, and I am for the diplomacy approach. And so, for those who say that we ought to be using our military to solve the problem, I would say that, while all options are on the table, we've got a ways to go to solve this diplomatically, and——

Q. How long?

The President. Well, let me finish. No, I always get asked that, how long? How long are you going to do this? How long is that going to happen? Why don't you give us a timetable? I'm not giving timetables. I am going to say that we are—and it's very important for our partners to understand that I believe the six-party talks can and will work. We're constantly in touch with our Chinese counterparts. Sometimes people move a little slower than American society in the world. And sometimes expectations around the world are maybe different from ours. But fortunately, we've got everybody on the same page that says that the idea of North Korea having a nuclear weapon isn't good.

And by the way, that started with, as you know—might recall, the visit I had with Jiang Zemin in Crawford. And we came out of that visit with a common declaration that said it's in our interests that North Korea not have a nuclear weapon. And that was a positive step forward because once you get a country to commit to that goal, then it makes it—enables us to work together to achieve that goal in a peaceful way.

The other thing is, is that it's clear from the other five parties there—the other four parties in our five-party coalition dealing with the sixth party, which is North Korea—is that people do want to solve this issue diplomatically. And so it's a matter of continuing to send a message to Mr. Kim Chong-il that if you want to be accepted by the neighborhood and be a part of the—of those who are viewed with respect in the world, work with us to get rid of your nuclear weapons program.

Jonathan [Joe Curl, Washington Times].

Culture of Life

Q. Mr. President, you often talk about a culture of life and also about your responsibility as President to lead. Looking forward, what specific policy initiatives will you propose in the balance of your Presidency to expand the culture of life?

The President. Well, part of it, Jonathan, is just to—is to constantly remind people that we have a responsibility to the less—to the least of us in our society. I mean, part of a culture of life is to continue to expand the Faith-Based and Community-Based Initiative to help people who hurt. Part of it is to recognize that in a society that is as blessed as we are that we have a responsibility to help others, such as AIDS victims on the continent of Africa or people who hunger in sub-Sahara, for example.

So the culture of life is more than just an issue like embryonic stem cell. It's promoting a culture that is mindful that we can help—to help save lives through compassion. And my administration will continue to do so.

Let's see here. Oren [Oren Dorell, USA Today]. Fine-looking shades you got there.

North Korea

Q. Mr. President, back to North Korea for a second. Why has the United States scrapped the one link between our militaries when there's been no threat or harm to Americans participating in those missions to recover bodies of Americans killed in action during the Korean war there?

The President. The Secretary of Defense decided to take a—what he's referring to is, is that we have—I wouldn't called it "scrapped"—is that the verb you used? "Scrapped"?

Q. I did say that.

The President. Yes, scrapped. I would use a different verb. I would use "reassess" the mission. See, "scrapped" means that we're not going to do it ever again, I think is what that means. And what the Secretary of Defense has said, "Let me just take a look and make sure that as we send people into North Korea, that we're fully mindful of them being able to go in and get out." No immediate threat, just an assessment, is how I would put it. But thank you for the question.

Yes, John [John McKinnon, Wall Street Journal].

Judicial Nominations

Q. Thank you, sir. Can you talk a little bit about the process you're using to pick your next Supreme Court Justice? And is that going to be affected at all by the agreement that was reached between the 14 Republicans and Democrats on judicial nominations?

The President. Well, that depends on whether or not the Senate will give my person an up-or-down vote. Here's my process. One, I'm obviously going to spend a lot of time reviewing the records of a variety of people and looking at their opinions and their character and will consult with Members of the United States Senate at the appropriate time.

I know there's been a lot of talk about consultation between the White House and the Senate, and we do consult—obviously, we consult on district judges—and that we listen to their opinions on appellate judges—"their" opinions being the opinions from the home-State Senators as well as others.

I look forward to talking to Members of the Senate about the Supreme Court process to get their opinions as well and will do so—and will do so. But obviously, it's—I told the American people I would find people of a certain temperament that would serve on the bench, and I intend to do that. But we will consult with the Senate.

Now, in terms of whether that agreement means that a Senator is going to get an up-or-down vote, I guess it was vague enough for people to interpret the agreement the way they want to interpret it. I'll put a best face on it, and that is that since they're moving forward with Judge Owen, for example, and others, that "extraordinary circumstances" means just that—really extraordinary. I don't know what that means. [*Laughter*] I guess we're about to find out when it comes to other appellate judges. [*Laughter*]

But I was pleased to see Priscilla Owen get an up-or-down vote, and she passed quite comfortably. She's a very good judge. And then, of course, Pryor and Judge Brown will be coming up pretty soon, I hope, and I would hope they would get confirmed as well. They're good judges.

Herman [Ken Herman, Austin American-Statesman].

May 11 Security Alert

Q. Good morning, Mr. President.

The President. Thank you for that.

Q. Thank you. Back on May 11th, I believe was the date, as you were off campus for recreation, a small plane came into restricted airspace, the alarm went off here at your house, a military operation ensued over Washington. Your staff says you were not notified because that was the protocol. Two questions: Do you think you should have been notified, and is there something wrong with protocols that render the President unnecessary when there's a military operation over Washington?

The President. Obviously, we do have a protocol in place to be dealing with a situation that can unfold very rapidly. And these planes enter the airspace quickly, and so there's got to be something in place that can be dealt with in an expeditious matter. And we have such a plan, and I'm comfortable with the plan. And secondly, I was comfortable with the decision by the people around me there, out there in Maryland. Any time a situation like this comes up,

people are constantly reviewing the situation, but I was very comfortable with the decision they made.

Q. Do you often disagree with your wife?

The President. Herman—[*laughter*]—here's the way it is. She often disagrees with me. [*Laughter*] Thank you very much, Herman, for that.

Matt Cooper [Time]. Here we go—no, go with the mike, Matt. We want you heard. We want you resonating around the country.

China-U.S. Relations

Q. I appreciate that, Mr. President, thank you. My question is about China, which looms larger in the lives of Americans, sir. They finance an ever-larger part of our trade deficit. Americans are concerned about China's growing economic might, and, of course, about the oppression of human rights and religious minorities there. My question, sir, is how should Americans think about China? As an ally? A rival? Competitor? Friend?

The President. I think that we ought—it is a—the relationship with China is a very complex relationship, and Americans ought to view it as such. China is a emerging nation. It's an amazing story to watch here. I mean, it's consuming more and more natural resources. It is generating jobs and exporting a lot of goods. It's a massive market.

And so, on one hand, we ought to look at China as an economic opportunity, and the best way to deal with China is to say, "Look, there are some rules, and we expect you to abide by the trade rules." And as this—as she grows and as trade becomes more complex, you'll see more and more instances where the United States is insisting upon fair trade. We expect our—expect to deal with—expect China to deal with the world trade in a fair way.

Now, in terms of security matters, obviously, we just spent a lot of time talking about North Korea. China can be a very good partner in helping to secure the world. The best way to convince Kim Chong-il to get up—give up his weapons is to have more than one voice saying the same thing. And therefore, China is a partner in this case, in terms of helping to secure that part of the world from nuclear weapons.

China as well can be helpful in the war on terror. They're just as concerned as we are on the war on terror.

China is a—obviously, there's tension on—about Taiwan that we have to deal with. And I made my position very clear and very consistent about Taiwan. The Taiwanese understand my position; the Chinese understand my position. So, in this case, the relationship is one of helping to solve that problem, is to keeping stability in the region so that eventually there will be a peaceful solution to that issue.

And so China is a fascinating country that is significant in its size. Its economy is still small but growing. But as well, I believe we have an obligation to remind the Chinese that any hopeful society is one in which there's more than just economic freedom, that there's religious freedom and freedom of the press. And so, in my meetings with the different Chinese leaders with whom I've had the honor of meeting, I've always brought up issues such as the Dalai Lama or the Catholic Church's inability to get a bishop into the country or the need for the country not to fear evangelicals but to understand religious freedom leads to peace. And so I'll continue doing that so long as I'm the President and, at the same time, help deal with this very complex relationship.

Let's see here—David Greene [Baltimore Sun]. Did you have your hand up?

Historical Assessment of Iraq

Q. I did, sir. Thank you very much, Mr. President. At the Naval Academy last week, you spoke of a midshipman named Edward Slavis, who graduated and has served in Iraq. And you quoted him as saying that the mission will be a success, and 20 or

30 years from now, historians will look back on it and consider it America's golden moment.

The President. Yes.

Q. I'm wondering, sir, if you agree with that assessment, and, if so, why?

The President. I do, David, because I believe that as a result of the actions we have taken, we have laid—begun to lay the foundation for a democratic movement that will outlast this administration, a democratic movement that will bring peace to a troubled part of the world.

I—you probably suffered through this part of my speech on the campaign a lot when I talked about my relationship with Koizumi. And since you haven't heard it for a while, I thought I'd bring it up again. I know. Okay, Stretch, look, it's nice and warm; it's a good chance for you to hear the story again. [*Laughter*]

You know, I reminded people that because Japan is a democracy, Japan is now a great friend. We work together on big issues, and yet it wasn't all that long ago that we warred with Japan. In other words, democracies have the capability of transforming nations. That's what history has told us. And I have faith in the ability of democracy to transform nations. And that's why, when I talked about Iraq earlier, that we've laid the—begun to lay the foundation for a democratic, peaceful Iraq. Someday, an American President is going to be dealing with an Iraqi—elected Iraqi President, saying—or Prime Minister, saying, "What we can we do together to bring peace to the region?" In other words, it's a platform for peace. And yes, I do believe—I agreed with the man.

These are incredibly hopeful times and very difficult times. And the problem is, is that I not only see the benefits of democracy, but so do the terrorists. And that's why they want to blow people up, indiscriminately kill, in order to shake the will of the Iraqis or perhaps create a civil war or to get us to withdraw early. That's what they're trying to do, because they fear democracy. They understand what I just—they understand what I understand; there's kind of a meeting of minds on that. And that's why the American people are seeing violent actions on their TV screens, because these people want to—the killers want us to get out. They want us to—they want the Iraqis to quit. They understand what a democracy can mean to their backward way of thinking.

So I do agree with the man. I thought it was a pretty profound statement, and I was pleased to be able to share it with the folks there at Annapolis.

A couple of more, then I got to hop. Keith [Keith Koffler, Congress Daily]. I get to leave. That's not a very—a couple of more, and then I have to retire, as opposed to hopping.

Social Security Reform

Q. Thank you very much, Mr. President. Sir, most Democrats continue to refuse to negotiate with you on Social Security until you take payroll-tax-funded personal accounts off the table. Would you insist on these accounts if it means no deal on Social Security?

The President. We're just beginning the process, and I want to remind people that—who might be listening that this is not an easy issue for people in Washington, DC, to discuss. There's a lot of people calculating the political consequences of making a tough vote, you know. Or they're—they remember the old campaigns of the past where if you even talk about Social Security, somebody will use your words to try to defeat you at the polls.

So this is a process here, and in that you love to follow the process, I will give you some insight into what I think is going to happen in the process. It's just going—it's like water cutting through a rock. It's just a matter of time. We're just going to keep working and working and working, reminding the American people that we have a serious problem and a great opportunity

to act not as politicians but as states men and women to solve a problem.

And so—oh, I know, I've read about so-and-so, "We're not going to talk about this," and, "We're going to throw down this marker." But in the meantime, the people are watching Washington, and nothing is happening, except you got a President who's willing to talk about the issue and a President who, by the way, is going to keep talking about the issue until we get people to the table.

I repeat to you, Keith, the Social Security issue is a really important issue for an upcoming generation. I mean, imagine realizing that we've got a problem and then not doing anything about it and watching a young generation get taxed, perhaps by as much as a payroll tax of 18 percent. How would that make somebody feel? That we shirked our duty, that we weren't responsible citizens.

Secondly, we've been at this for a couple of months, looking forward, and it takes a while in Washington, DC. Now, I know people want things done tomorrow—or yesterday, and if they're not done, they say, "Well, the thing has fallen apart." That's not the experience I've had in Washington, DC. I can remember the tax debate, where things didn't happen quite as quickly as some liked, but nevertheless, we got something done. And I'm convinced we're going to get other things done here in Washington.

But the President has got to push. He's got to keep leading, and that's exactly what I'm going to do. And when we get something done, there will be plenty of time to share the credit. People—to me, this is an issue that is one in which people from both parties ought to take great pride in coming to the table to get something done.

One thing is for certain: The party that I represent is leading. I mean, we're willing to take the lead and say, "Here's what we believe. Here's why we believe it," willing to take a message to the American people that is a positive message and one that says, "We recognize a problem. Now let's work together to solve it." And so I think as people make their calculations, that I think the American people are going to end up saying to those who have been willing to lead on the issue and talk about the issue and be constructive on the issue, "Thanks for what you're doing, and we'll send you back up there with our vote, because that's the kind of spirit we like."

Listen, thank you all for coming out. Enjoyed it.

NOTE: The President's news conference began at 10:43 a.m. in the Rose Garden at the White House. In his remarks, he referred to Mikhail Khodorkovsky, founder and former chief executive officer, YUKOS Oil Co., who was convicted of fraud and tax evasion on May 31 in Russia; President Vladimir Putin of Russia; Chairman Kim Chong-il of North Korea; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; former President Jiang Zemin of China; William H. Pryor, Jr., judicial nominee, U.S. Circuit Judge for the Eleventh Circuit; Janice R. Brown, judicial nominee, U.S. Circuit Judge for the District of Columbia Circuit; and Prime Minister Junichiro Koizumi of Japan.

Statement on the Proliferation Security Initiative
May 31, 2005

Since the Proliferation Security Initiative was launched in Krakow, Poland, 2 years ago, nations around the world have been cooperating to develop new and dynamic

approaches to stop the global trafficking of weapons of mass destruction. To counter proliferation networks, we are working in common cause with like-minded states prepared to make maximum use of their laws and capabilities to deny rogue states, terrorists, and black marketeers access to WMD-related materials and delivery means.

Today, more than 60 countries are supporters of the PSI. Its global reach continues to expand, most recently by endorsements from Argentina, Georgia, and Iraq. The goals of PSI have been endorsed by the United Nations Security Council in Resolution 1540.

Through training exercises involving military, law enforcement, customs, intelligence, and legal experts, many PSI partners are developing new tools to improve their national and collective capacities to interdict WMD and related shipments—whether on land, at sea, or in the air.

On this foundation, PSI partners are building a record of success by stopping the transshipment of WMD-related materials, prosecuting proliferation networks, and shutting down front companies trafficking in WMD materials.

I urge all responsible states to join this global campaign by endorsing the PSI Statement of Interdiction Principles and by committing to work to end the security threat posed by the proliferation of weapons of mass destruction.

Remarks Following Discussions With President Thabo Mbeki of South Africa and an Exchange With Reporters
June 1, 2005

President Bush. Mr. President, welcome back.

We've just had a wide-ranging discussion on very important issues. We spent time talking about our bilateral relations. I would characterize our bilateral relations as strong. We spent time talking about the continent of Africa.

And Mr. President, I want to thank you for your leadership. South Africa is a great country. The President has used his position to not only better the lives of his own people but to work to bring stability and peace to the region and to the continent.

We talked about several situations that are of concern to our Government, most notably Darfur. I want to thank you for your leadership there. The President has got troops there. Deputy Secretary Zoellick is on the way to Darfur. This is a serious situation. As you know, former Secretary of State Colin Powell, with my concurrence, declared the situation a genocide. Our Government has put a lot of money to help deal with the human suffering there.

Later on today I'll be meeting with the head of NATO, who has agreed to help the AU position troops so that humanitarian aid can reach these poor folks as well as getting—bringing stability and hopefully some breathing room so there can be a political agreement. But the President gave me some good advice on that situation, and I want to thank you for that.

As well, we'll discuss, later on, ways to cooperate to make the world a more peaceful place. But Mr. President, again, I really appreciate you coming. It's great to see you.

President Mbeki. Thank you very much, President. I must say thank you very much, Mr. President, for asking us to come. And again I must say I agree very much with the President about the state of the relations between our two governments and the two countries, indeed very strong. And President, I appreciate it very much the

commitment you have demonstrated now for some years with regard to helping us to meet our own domestic South African challenges as well as the challenges on the African continent.

They are—I'm afraid you have—I'm going to create more problems for you, President—[*laughter*]—because I'm going to ask for even more support.

President Bush. That's all right. [*Laughter*]

President Mbeki. Because the contribution of the United States to helping us to solve the issues that lead to peace and security on the continent, that contribution is very vital. The contribution, President, to helping us in terms of the economic recovery and development of the continent, particularly via NEPAD, is very important.

And I—we believe very strongly, President, that the forthcoming G–8 summit in Gleneagles in Scotland, has the possibility to communicate a very strong, positive message about movement on the African continent away from poverty, underdevelopment, these conflicts. And clearly, your presence, Mr. President, in terms of the practical outcomes, your contribution to the practical outcomes of the G–8 summit is critically important.

But thanks very much.

President Bush. Thanks.

We'll answer a couple of questions, if that's all right. April [April Ryan, American Urban Radio Networks].

Sudan/Deep Throat

Q. Yes, Mr. President. First, for you—what are your thoughts about the fact that Deep Throat has been outed——

President Bush. Yes—[*laughter*].

Q. ——and also the fact, Mr. President, is he a hero in your mind?

And, Mr. President, on the issue of Darfur, Sudan, a new survey came out by the Zogby International poll that finds 84 percent of Americans polled feel that the U.S. should not tolerate an extremist government committing such attacks and should use its military assets, short of using military combat troops on the ground to protect civilians there.

President Bush. Let me first say something. We are working with NATO to make sure that we are able to help the AU put combat troops there. And as a part of that, I believe a transport plane of ours, for example, will be a part of this mission.

I think later on today I'm going to speak to the Prime Minister of Canada, who has also been very strong about dealing with Darfur, and I will thank him for his contributions.

You know, there was an interesting revelation yesterday, Mr. President, about a news story—a massive news story that took place when I was a pretty young guy. And for those of us who grew up in the late—got out of college in the late sixties, and the Watergate story was a relevant story, and a lot of us have always wondered who Deep Throat might have been. And the mystery was solved yesterday.

Q. Is he a hero?

President Bush. He was—it's hard for me to judge. I'm learning more about the situation. All I can tell you is, is that it's—it was a revelation that caught me by surprise, and I thought it was very interesting. I'm looking forward to reading about it, reading about his relationship with the news media. It's a brandnew story for a lot of us who have been wondering a long time who he was. I knew it wasn't you. [*Laughter*] You weren't even born during that period.

Q. Oh, yes I was; I was born. I was old enough.

President Bush. Barely. Barely. That's a compliment, Mr. President. [*Laughter*]

President Mbeki. It is. [*Laughter*] No, we—our view has been that it's critically important that the African continent should deal with these conflict situations on the continent, and that includes Darfur. And therefore, indeed, you will notice that we have not asked for anybody outside of the African Continent to deploy troops in

Darfur. It's an African responsibility, and we can do it.

So what we've asked for is the necessary logistical and other support to be able to ensure that we discharge our responsibilities. I should say that. Even the first troops deployed in Darfur, which were from Rwanda and Nigeria, the U.S. military forces sent the planes that actually did the airlift of those forces to Darfur. That's the kind of support I would ask for, and indeed, as the President has indicated, we even went to NATO, who also agreed to support.

So I don't think it's—certainly from the African perspective, we wouldn't say we want deployment of U.S. troops in Darfur. We don't. On the continent, we've got the people to do this—military, police, other—so long as we get this necessary logistical support. I think that's what's critically important.

President Bush. Do you want to call on somebody from your press corps?

President Mbeki. Anybody?

Group of Eight/Africa

Q. President Bush, with about 4 weeks left to go to the G–8 summit, do you still—do you have any reservations about British Prime Minister Tony Blair's Commission for Africa report, especially with reference to the international finance facility?

President Bush. We have made our position pretty clear on that, that it doesn't fit our budgetary process. On the other hand, I've also made it clear to the Prime Minister, I look forward to working with Great Britain and other countries to advance the African agenda that has been on the G–8's agenda for—ever since I've been the President.

And the President and I were talking about the positive steps that have been taken. The NEPAD agreement was presented as a result of G–8 meetings; commitment to trade as well as humanitarian help have all emerged as a result of the conversations through the G–8 and commitments as a result of the G–8. And I hope to advance the agenda, what I call the compassion agenda.

And by the way, the thing I appreciate about the President is he understands it's a two-way street we're talking about. I mean, countries such as ours are not going to want to give aid to countries that are corrupt or don't hold true to democratic principles, such as rule of law and transparency and human rights and human decency. That's where the President has played such a vital role, because South Africa has been a stalwart when it comes to democratic institutions.

But, no, we've got more work to do. I'm looking forward to sitting down not only at the table with the leaders from the G–8 countries but as well with leaders from the continent of Africa—and other countries are coming. So it's going to be quite a meeting.

Keil [Richard Keil, Bloomberg News].

Elections in Egypt

Q. Mr. President, looking back over the last year, you talked an awful lot about the importance of free and fair elections in Iraq, which most international observers now believe is what took place. Given the lesson that you say that that leaves for the region, do you think that Egypt is now on pace for the same free and fair elections? And if not, what do they need to do to get there?

President Bush. Interesting question. I spoke to President Mubarak today, and I—he talked to me, by the way, about him calling his Attorney General to—calling upon his Attorney General to investigate the disturbance around one of the polling sites. And I urged him once again to have as free and fair election as possible, because it will be a great legacy for his country. It will be a—he's publicly stated he's for free and fair elections, and now is the time for him to show the world that his great country can set an example for others. He assured me that that's just exactly what

he wants to do. And I will, to the best of my ability, continue to try to convince him that it's in not only Egypt's interest but the world's interest to see that Egypt have free and fair elections.

Listen, the definition of free and fair, there's international standards, of course, but people ought to be allowed to vote without being intimidated. People ought to be allowed to be on TV, and if the Government owns the TV, they need to allow the opposition on TV. People ought to be allowed to, you know, carry signs and express their displeasure or pleasure. People ought to have every vote count. And those seem like reasonable standards.

Zimbabwe

Q. My colleague will ask the question.
President Bush. It's a relay. [*Laughter*]
President Mbeki. It's a relay. [*Laughter*]
Q. Mr. President, does your administration still regard Zimbabwe as an outpost of tyranny?

President Mbeki, do you still regard that as an unhelpful characterization?

President Bush. I brought up Zimbabwe. It's—obviously, we are concerned about a leadership that does not adhere to democratic principles and, obviously, concerned about a country that was able to, for example, feed herself, now has to import food, as an example of the consequence of not adhering to democrat principles.

The President, who has been very much involved in this issue, gave me a briefing on, for example, different ways that the people are trying to reconcile their difference of opinion within Zimbabwe. But it's a problem.

President Mbeki. Yes, you see, the critical challenge, as I'm sure you are aware, is to assist the people of Zimbabwe to overcome their political problems, their economic problems. There's problems even now of food shortages because of the drought.

And so what is really critically important is to see in what ways we can support the opposition party, the ruling party in Zimbabwe to overcome these problems. And clearly, one of the critically important things to do is to make sure that you have the political arrangements that address matters of rule of law, matters that address issues of the freedom of the press, issues that address questions of freedom of assembly, a whole range of matters which require that the Zimbabweans have a look at the constitution and look at the legislation.

And this is a direction in which we're trying to encourage them to move, so that they create this political basis where everybody is comfortable that you've got a stable, democratic system in the country, which is critically fundamental to addressing these other major challenges of ensuring the recovery of the economy of Zimbabwe and really improving the lives of the people. So that's the direction we're taking.

President Bush. Well, thank you all for coming. I owe the President a lunch.

NOTE: The President spoke at 12:03 p.m. in the Oval Office at the White House. In his remarks, he referred to Prime Minister Paul Martin of Canada; W. Mark Felt, Deputy Director of the FBI during the Nixon administration whose identity as the informer known as "Deep Throat" during the Watergate scandal was revealed on May 31; Prime Minister Tony Blair of the United Kingdom; and President Hosni Mubarak and Attorney General Maher Abdel Wahed of Egypt. The President also referred to the African Union (AU) and the New Partnership for Africa's Development (NEPAD).

Remarks Following Discussions With Secretary General Jakob Gijsbert "Jaap" de Hoop Scheffer of the North Atlantic Treaty Organization
June 1, 2005

President Bush. Mr. Secretary General, welcome. Thank you for coming.

It's been my pleasure to work with this good man. The Secretary General is a visionary leader of a very important Alliance, and that is NATO. America is a proud member of NATO. We view NATO as our link—our transatlantic link to Europe. NATO is a place where not only do we work to—work on defensive measures to protect our respective people, but it's a place where we are proud to strategize as to how to promote values of—universal values of democracy and freedom and human rights and human dignity.

Under the Secretary General's leadership, NATO has been active in places like Afghanistan and training the troops in NATO. And today we discussed the NATO mission in Darfur, to help deal with human suffering in that part of the world.

So, Mr. Secretary General, I am proud to call you friend and proud to work with you as the President of a contributing member of NATO. Welcome.

Secretary General de Hoop Scheffer. Mr. President, thank you very much, indeed. I can echo the words you said. NATO has always been and still is a value-driven organization; it's about values. The same values we have defended in the cold war, we are now defending in Afghanistan, at the Hindu Kush mountains. We are training the Iraqi security forces so that that country can stand on its own feet as soon as possible. We are staying the course in Kosovo. We'll have, as the President mentioned, support for the African Union in Darfur. We're having an antiterrorist operation in the Mediterranean. We'll stay the course—we'll stay the course. We do that with the 26 NATO Allies—of course first and foremost with the United States of America—and we do it with our partners as well with important partner countries of NATO, like the Ukraine, like our partners in the Balkans.

So we'll stay the course, and I'm sure that NATO will also, in the coming time, will be an important political, military organization. Enhancing political dialog within NATO, that's what it's all about—staying the course militarily and staying the course politically.

Mr. President, thank you very much.

President Bush. Welcome. Thank you for coming. I appreciate it.

NOTE: The President spoke at 1:57 p.m. in the Oval Office at the White House.

Statement on the Resignation of William H. Donaldson as Chairman of the Securities and Exchange Commission
June 1, 2005

Bill Donaldson took on a tough job at a tough time, and he delivered for the American people. He vigorously and fairly enforced our Nation's securities laws and helped rebuild the public trust in corporate America that has been important to our economic recovery. I am grateful for his dedicated service, and Laura and I wish him and Jane all the best.

Letter to Congressional Leaders Transmitting Designations Under the Foreign Narcotics Kingpin Designation Act
June 1, 2005

Dear _____:

This report to the Congress, under section 804(b) of the Foreign Narcotics Kingpin Designation Act, 21 U.S.C. 1901–1908 (the "Kingpin Act"), transmits my designation of the following eight foreign persons and one foreign entity as appropriate for sanctions under the Kingpin Act, and reports my direction of sanctions against them under that Act:

Arriola Marquez Organization
Oscar Arturo Arriola Marquez
Miguel Angel Arriola Marquez
Ignacio Coronel Villareal
Rigoberto Gaxiola Medina
Marco Marino Diodato del Gallo
Otto Roberto Herrera Garcia
Haji Baz Mohammad
Wong Moon Chi

Sincerely,

GEORGE W. BUSH

NOTE: Identical letters were sent to Pat Roberts, chairman, Senate Select Committee on Intelligence; Arlen Specter, chairman, Senate Committee on the Judiciary; Richard G. Lugar, chairman, Senate Committee on Foreign Relations; John W. Warner, chairman, Senate Committee on Armed Services; Charles E. Grassley, chairman, Senate Committee on Finance; Susan Collins, chairwoman, Senate Committee on Homeland Security and Governmental Affairs; Peter Hoekstra, chairman, House Permanent Select Committee on Intelligence; F. James Sensenbrenner, Jr., chairman, House Committee on the Judiciary; Henry J. Hyde, chairman, House Committee on International Relations; Duncan Hunter, chairman, House Committee on Armed Services; William M. Thomas, chairman, House Committee on Ways and Means; and Christopher Cox, chairman, House Committee on Homeland Security. This letter was released by the Office of the Press Secretary on June 2.

Remarks on the Nomination of Christopher Cox To Be Chairman of the Securities and Exchange Commission
June 2, 2005

The President. Good morning. I'm pleased to announce my nomination of Congressman Chris Cox of California as our next Chairman of the Securities and Exchange Commission. As a champion of the free enterprise system in Congress, Chris Cox knows that a free economy is built on trust. In the years ahead, Chris will vigorously enforce the rules and laws that guarantee honesty and transparency in our markets and corporate boardrooms. He will be an outstanding leader of the SEC.

Today, the American economy is the envy of the world. Our economy is growing faster than that of any other industrialized country. We have added over 3.5 million new jobs during the last 2 years. The unemployment rate is down to 5.2 percent. More Americans are working today than ever before. Small businesses are flourishing. Families are taking home more of what they earn. To maintain the confidence that is the cornerstone of our economic system, we must ensure the honesty of American business and the integrity of the

capital markets and stock exchanges. Investors must have confidence that the information they use to make their investment decisions is fair and accurate.

The Securities and Exchange Commission is the primary Federal agency that performs this essential function. The SEC investigates corporate fraud and holds guilty parties responsible when they mislead shareholders and employees.

For more than 2 years, Bill Donaldson has done an exceptional job as the SEC Chairman. Bill took this post at a time when our economy was faced with a crisis in investor confidence. Under his leadership, the SEC vigorously responded to corporate corruption. The Commission filed more than 1,700 enforcement actions under Bill Donaldson's chairmanship, a significant increase from previous years. And the SEC has helped implement the Sarbanes-Oxley Act, the most far-reaching reform of American business practices since the time of Franklin Roosevelt. The agency also responded swiftly to the mutual fund abuses that came to light nearly 2 years ago, enhancing disclosure to mutual fund shareholders.

Bill Donaldson has set high standards for American business and the SEC, and Chris Cox is the right man to carry on this important work.

For more than a decade and a half, Chris has been a superb Representative of the 48th District of California. His achievements range from national security to tax reform. As the first chairman of the House Committee on Homeland Security, Chris Cox helped coordinate efforts between the Federal agencies and Congress to better protect our country against terrorist attacks. He worked effectively with members of both parties to get more than a dozen of his bills passed into law, including a law protecting investors from abusive lawsuits and a ban on Internet commerce taxes. Four years ago, I signed into law a bill that helps American families by phasing out the death tax. The drive to end the death tax was the product of an effort that Chris Cox helped lead for nearly a decade.

Chris understands how markets work, and he knows the need for transparency in financial exchanges and in the halls of business. He proved that he can bring people together of diverse opinions to get things done. That kind of leadership will be invaluable as the Chairman of the SEC.

I've given Chris a clear mission, to continue to strengthen public trust in our markets so the American economy can continue to grow and create jobs. The Nation is increasingly a nation of stockholders. A generation ago, only a small percentage of American families invested in stocks and bonds. Today, more than a half of households are investing for their families and for their futures. Now more than ever, we must make sure Americans can rely upon the integrity of our markets.

Chris Cox is a good man to have taken on this job, and he'll do a fine job on behalf of the American people. He brings with him a unique combination of skills and expertise. He graduated with honors from Harvard Law School and Harvard Business School. He worked as a security lawyer for nearly a decade. He taught tax law. He served in President Reagan's White House, and he was elected to the Congress.

I thank Chris for his willingness to serve our country in another important position at an important time for our Nation. I am grateful to his wife, Rebecca, and their three children, Charles, Katie, and Kevin. I call on the Senate to confirm his nomination at the earliest possible date.

Congratulations.

[*At this point, Chairman-designate Cox made brief remarks.*]

The President. Congratulations. Thanks for taking it on.

Thank you all.

NOTE: The President spoke at 10:24 a.m. in the Roosevelt Room at the White House. The transcript released by the Office of the

Press Secretary also included the remarks of Chairman-designate Cox.

Remarks in a Discussion on Strengthening Social Security in Hopkinsville, Kentucky
June 2, 2005

The President. Thanks for the warm welcome. Glad I brought a little rain with me. [*Laughter*] I'm honored to be here. I've got some friends—just met them—but some folks from the community here who want to discuss Social Security with me and with you. It's a vital subject. But before I get there, I do want to say a couple of things.

First, it's such an honor to land at Fort Campbell, Kentucky. I say "honor" because that base houses some of the finest men and women our country have ever known, men and women and their families who are making incredible sacrifices on behalf of the American people. They're doing some hard work to protect the country, and as they do that hard work, they're helping free people. We are laying the foundations for peace, because more people are free in the world. And I want to thank those of you who support the base.

Freedom is on the march. I was proud to see that Laura had a great trip overseas. She was advancing the freedom agenda, making it clear that free societies are societies that honor women and welcome women into the daily lives of government and business. She sends her best. She's become quite the comedienne over the last couple of weeks. [*Laughter*] I love her dearly. She's a great First Lady and a wonderful wife.

I appreciate knowing your Governor. I want to thank Governor Fletcher for doing a fine job for the people of Kentucky. I know Congressman Ed Whitfield is traveling, but I think he sent his mom and dad here. Mr. and Mrs. Whitfield, thank you all for coming. There you are. Great to see you all. Tell Ed I was asking about him. [*Laughter*]

I want to thank all the State and local officials who have joined us today. I'm honored that you're here. I want to thank Mayor Liebe for being here. I want to thank those of you who serve in the city councils and county commissions, if that's what you call them here in Kentucky. Thanks for serving.

I want to tell you somebody else I met who's serving in an incredibly important way, and that is a fellow named Dr. John Cotthoff. [*Applause*] A couple of people have heard of him. [*Laughter*] He came out to the—to meet me at Air Force One. Every time I stop at a place, I ask somebody who has volunteered in the community to come out so I can herald voluntarism, so I can thank this one person in this case for his kindness. He's a doc. He established a clinic in 1991, the St. Luke Free Clinic. He volunteers his time. He helps 4,000 working uninsured people get health care. He's a soldier in the army of compassion. He's one of the millions of citizens in this country who have heard the universal call to love a neighbor just like you'd like to be loved yourself and are helping this country, one person at a time.

If you're a member of the army of compassion, I want to thank you for joining John. If you want to serve our country, feed the hungry, find shelter for the homeless, love somebody, teach somebody to read, and you'll be making a huge contribution to America just like Dr. John Cotthoff

is. John, thank you for being here. I appreciate you coming. Thank you, sir.

We've got a lot to do in Washington, DC, and there's too much politics up there—[*laughter*]—pure and simple. I'm calling on Congress to do a couple of important things. One of them is to make sure we're wise about how we spend your money. If the program doesn't work, we ought not to be spending money on it.

I submitted a tough budget. Congress passed a tough budget, and now it's time for them to make sure they don't overspend when it comes time to appropriating your money. We've got a plan to cut our deficit in half in 5 years, and if they're wise stewards with your money, we will do that.

Secondly, 4 years ago, I submitted a strategy to the United States Congress to make us less dependent on foreign sources of energy. And we've had 4 years of debate. This is the year where they've got to stop debating an energy bill and pass an energy bill that will encourage conservation and a bill that will modernize the electricity grid, a bill that will spend money on clean coal technology. We've got a lot of coal in America. We can use technology to make sure we burn it cleanly. We've got to explore for oil and gas in environmentally friendly ways. We've got to spend money to use ethanol—so we can use ethanol and biodiesel. We've got a plan that will make us less dependent on foreign sources of energy.

Listen, I understand people are paying higher prices at the gas pump. I know that you're paying that tax—it's like a tax that goes—that money, and it's up because we're dependent. And the more dependent you are on somebody else's energy, the more likely it is you're going to pay a higher price for it. And so I put a plan up there to get us to diversify away from the old habits and the old ways. The bill passed the House. It passed the Senate committee. It's now on the floor of the United States Senate. For the sake of economic security and national security, the Senate has got to get that bill passed. The House and Senate have got to reconcile their differences and get me a bill I can sign by August of this year.

I want to talk about Social Security. Franklin Roosevelt did a smart thing when he set up the Social Security system. There's a lot of people who depend upon their Social Security check. I suspect there's a lot of people in this part of the world that depend on that check. I want to start off by telling those of you in Kentucky who get a check now from Social Security, nothing is going to change for you. You're going to keep getting your check. I don't care what the politicians say. I don't care what the advertisers say. I don't care what the pamphleteers say. Nothing changes for you.

When you hear us talking about the Social Security system being in trouble, people who are getting their check have got to understand you're in good shape. It's the youngsters coming up who have a problem with Social Security. And I'll tell you why—let me tell you why. A lot of us are getting ready to retire. We're called baby boomers. See, my retirement age happens to be in 2008. I reached retirement age in 2008, which is a convenient year for me to retire. [*Laughter*] And there's a lot of baby boomers, and we're living longer than the previous generation. So you're beginning to get a sense of the new math. Baby boomers—I think when we fully retire, it's going to be about 73 million of us that the younger people are going to have to pay for. Right now there's over—a little over 40 million retirees. So there's a whole lot of new retirees getting ready to retire soon who are living longer, which means younger folks are going to have to keep paying into—paying for us longer and longer. And we've been promised greater benefits.

To complicate the problem for the younger generation of Americans, there are fewer people paying into the system for every retiree. In 1950, there were about

16 workers for every retiree. Think about that. So if the Government made a promise, there was 16 of you that were able to divide up the promise. Today, there are 3.3 workers per retiree. Pretty soon there will be two workers per retiree. You've got a lot of people getting ready to retire who will be living longer, drawing greater benefits, with fewer people paying in the system.

And we're paying into what's called a pay-as-you-go system. Now, that means you pay through payroll taxes, and we go ahead and spend. [*Laughter*] We, of course, spend on retirement benefits. But that's not all that Congress has been spending your payroll tax on. See, a lot of people think they're sending their payroll taxes in and the Government holds the money for them, and when it comes time to retire, you get your money back. That's not how it works.

People are paying their payroll taxes; the beneficiaries are receiving their benefits; and there's been money left over. And that money has gone to Government programs, and so all that's left in the Social Security trust is a file cabinet full of IOUs. And when those IOUs come due, somebody has to pay for them either through reduced benefits or greater taxes.

The pay-as-you-go system is—really isn't fair, if you think about it. The Government has said, "You're going to pay payroll taxes for your retirement," but they've gone ahead and spent your money on other Government programs. And as a result of the pay-as-you-go system, with more people retiring, in 2017, the system goes into the red. In other words, more benefits will be going out than payroll taxes coming in. That makes sense. If you got fewer people paying in and more people retired, pretty soon it's going to catch up with you. And it does in 2017.

That's not very far down the road. If you've got a 6-year-old child, that's—the system goes in the red when your child starts to drive. That is if you—you have driver's licenses at 18 here, Ernie? Yes, 18. It was harrowing experience when our daughters—16, well, that's interesting, yes. [*Laughter*] Yes, let me know when they're on the road. [*Laughter*]

And every year thereafter the system gets worse, because more people are getting benefits, and they're living longer. In 2027, the amount of money coming in will be 200 billion less than the amount of money going out. Every year it gets worse from 2017 on. In 2032, I think it is, 300 billion a year. In other words, we're piling up an unsustainable system for younger workers. You've got younger workers paying into a system that is going to go bankrupt in 2042, unless we do something about it.

So I saw a problem. If you take an objective look at the math, you can't help but see a problem. It's no problem for people who are getting their check today. If you're getting your Social Security here in Kentucky, you don't have a problem. But if you've got a grandchild, you do have a problem, or at least that grandchild does. And so I decided to put the issue up for discussion in Washington. I'll tell you why I did. The job of the President is to confront problems, is to deal with problems, not pass them on to future Presidents or future Congresses. That's the job of the President of the United States.

I suspect some in Washington wish I hadn't have brought it up, because some in Washington really don't want to deal with it. But every year we wait, we're saddling a younger generation with about $600 billion in costs. I mean, it's conceivable, if we don't do anything, that the payroll tax will have to go to 18 percent in order to make—fulfill the promises for the baby boomers. And I don't think that's fair to a younger generation of Americans, to not have political courage and deal with the problem and pass on the problem to them. I just don't think it's right.

And so I've been traveling the country, spending a lot of time trying to impress the folks with two things right off the bat. One, we have got a serious problem, and

if we don't do anything about it, we're saddling a young generation with a huge problem. And two, if you get your check, nothing is going to change. I keep saying that because I understand the politics of Social Security. If you don't want to get anything done, all you've got to do is go around the country trying to scare seniors. And then the seniors will say to the Members of the Congress, "Please don't do anything." And so I'm going to spend a lot of time convincing seniors nothing changes and convincing folks there's a problem. Because once the people realize there's a problem, then the next question they ask to their elected Representative is, "We've got a problem, and I've sent you up to Washington to solve problems, and so what are you going to do about it? See, instead of just sitting up there, why don't you work with the President to see if you can't come up with a solution?"

I also have a duty to lay out some ideas, and so I have done so. I have suggested the following principles: One, that future generations should receive benefits equal to or greater than the benefits enjoyed by today's seniors. That makes sense to say to somebody who's paying in the payroll tax, "If you're a youngster, you're paying in, the system ought to at least yield benefits equal to or greater than the baby boomers, for example."

Secondly, I believe the system—I know the system can be designed so that someone who works all their life does not retire into poverty. That seems to make sense. You've got a lot of people working hard in America, and they're contributing to the Social Security system, and when they retire, they retire into poverty. To me, that's a system that is a flawed system. And so therefore, I supported an idea, what's called progressive indexing. That's long Washington words for this: Right now benefits rise at the rate of wage increases. And so I proposed that the poor Americans, those at the lower end of the income scale, have their benefits continue to rise with wages and that the upper income folks have their benefits rise with inflation. In other words, all benefits go up, one set of benefits faster than others.

And if we're able to implement that plan, that solves a significant portion of the solvency issue for Social Security. Just think about that. By slowing down the rate of benefit growth—benefits still grow but at a slower rate, a rate in which Government can now afford, a younger generation can afford to pay in, at a slower rate—we solve a lot of the Social Security problem.

And so I put that on the table for people to consider. To me, it makes sense. To me, it's fair. Benefits go up; certain people's benefits will go up faster than others, depending upon their income level.

And so, then there's other options on the table that Congress needs to come and talk about. In good faith, they need to come—set aside their political party and say, "For the good of the country, why don't we come together and solve a significant problem."

I want to talk about one other idea that we're going to spend some time talking about today. In order to make Social Security a better deal for younger Americans—in other words, what I've just laid out is a way to permanently solve the issue. But I think we ought to make it—without raising taxes, by the way, without raising payroll taxes, which is important. I think we ought to let younger workers, if they decide—if they say, "This is something I'd like to do"—is to take some of their own money that they're paying into the system through the payroll tax and set that money aside in a voluntary personal savings account.

Let me tell you why it will be a better deal—and we're going to spend some time talking about this. Money grows over time. You hold money, and you get a decent rate of return on that money. It tends to compound. It grows. The growth accelerates. That's just how it works. It's called the compounding rate of interest. Right

now, when we collect your money, if you're a youngster out there working hard and paying into the system, you'll be displeased to know you get about a 1.8-percent return on your money—which is pitiful—rate of return. Heck, you can put your money in T-bills and do better than that.

I think we ought to allow younger workers to take some of their own payroll taxes—remember, it's your money and not the Government's—and set it aside and be able to invest in a conservative mix of bonds and stocks, if that's what you choose to do. I recognize some people, that makes them nervous in America. You don't have to do it. It's a voluntary idea. In other works, you say, "Here's your option, if this is what you think makes sense." A conservative mix of bonds and stocks, for example, can yield, over a period of time, 4½ percent rate of return. And that difference between the 4½ percent somebody gets or the 1.8 percent you're now getting, over a 30-year period, is a lot of money. It's a lot of money.

And so, when I say "better deal," it's a better deal for somebody to earn better interest on their own money. That makes sense. I mean, we tried it before, by the way. As a matter of fact, we're trying it now. This may interest you. This was such a good idea that Members of the United States Senate and the United States Congress decided that in the Federal retirement system called the Thrift Savings Plan, that people, if they so choose, ought to be allowed to set aside some of their own money to get a better rate of return on their money. So here's my attitude and my message to the people in Washington, DC: If you let yourself do it, if you think it's such a good idea for you who's been elected to the Congress, then you ought to let workers have that same option.

The personal savings account, the voluntary personal savings account, would be a supplement to your Social Security check. It would be a part of a Social Security system; it's not the Social Security system. The Government is going to say, "You can't put all your payroll tax; you can put a portion of your payroll taxes," and so you'll end up with something in the Social Security system as well as your own nest egg that the Government cannot take away. It's your own nest egg that the Government can't spend on other Government programs. It's your money.

If you're a 20-year-old making $8 an hour over your career—20 years old today, $8 an hour over your career, and if the Government lets you put a third of your payroll taxes in a voluntary personal savings account, you'll end up with a nest egg of $100,000 when you're 63. If you're a police officer and a nurse who started working in 2011 and you work your entire careers, when you retire, both of you will have a combined nest egg of $669,000 as part of your retirement package. That's how money grows.

I think it makes sense to let people, if they so choose, have an asset they call their own. It's beneficial for society. One of the things I've tried to do as the President is promote an ownership society. We want more people owning their own assets. We want more people owning their own home. We want to encourage entrepreneurship, so people can own their own small business. I think it makes sense to have people from all walks of life owning and managing their own assets, if that's what they choose to do. I reject the idea, soundly reject the idea that the investor class, the so-called investor class, should be the only owners in America. I think ownership ought to be spread to every corner of America, from people of all walks of life, no matter what their demographic background may be or no matter what their income level is. I like the idea of moms and dads being able to pass on assets to whomever they choose.

A couple of other things—I'm getting a little windy, aren't I? [*Laughter*] A couple of other——

Audience member. You're on a roll.

The President. Thank you. She said I'm on a roll. [*Laughter*]

Just a couple of other points I want to make; then we'll go to some of our guests here—not some of our guests, all of our guests. First of all, there are rules. In other words, people say to me, "Well, you know, what happens if somebody makes a risky investment?" The idea of having a voluntary personal savings account does not allow for—you can't take your money to the lottery or the track. [*Laughter*] There's a conservative mix of bonds and stocks.

By the way, this happens all the time in our society where people are given some options in a rather conservative mix. It doesn't take much to get a better rate of return than Government gets for you now. I was with John McCain at one of these events one time. He said he thought—as he remembered, he got about a 7 percent rate of return on the conservative mix of bonds and stocks that he has held for about 20-something years. You put 7 percent onto a pretty good size of money, that grows rather quickly. And it's your money.

And so there will be rules. People say to me, "Well, Wall Street will benefit." No, we're not going to let Wall Street gouge people on this. I mean, that's just not going to happen. There will be a—there will be reasonable fees. In other words, the Government will have an oversight role in all this business. It will be an opportunity for people if they so choose.

Let me tell you one other thing to—that I think you'll find patently unfair about this system. You got a husband and a wife, and they've worked all their life, both contributing into the Social Security. And the husband passes away, and the wife will then be in a position to either have her own benefits or her husband's benefits, but not both. In other words, somebody has been working, the spouse has been working, and one dies early, and both of them had been working all their life—think about this system—and when it comes time to retire, the surviving spouse, man or woman, gets to choose his or her benefits or the deceased spouse's benefits, which is ever higher, but not both. That means somebody has worked all their life and put money into the system that at some point in time just goes away.

Now these are hard-working people we're talking about in America, people who have worked hard and paid that payroll tax. And if you're a youngster who just entered the workforce, you know what it means to give some payroll tax. That's that first shock you get when you see that payroll tax coming out of your check. Imagine a system where you've worked all your life, and it's not there. And so one of the reasons—another reason I like somebody to be able to have assets that they can pass on to whomever they choose. Here's an instance—the example I just gave you says that a husband or a wife will have an asset base upon death to be able to pass on to the surviving spouse to help them out during this incredibly difficult period.

And so Congress needs to consider this idea. And I repeat, if it's good enough for you in the Congress, it ought to be good enough for working people here in America.

Rick Paxton. Welcome, Rick, thank you. Where do you live?

Richard C. Paxton. Yes, sir, I live right here in Hopkinsville, Kentucky, here.

The President. Good place to live, isn't it?

Mr. Paxton. It's a wonderful place to live.

The President. Thanks for coming. Tell everybody what you do.

Mr. Paxton. I'm a financial consultant with Hilliard-Lyons, have been for the last 15 years.

The President. Good. I ask—on these panels I always ask somebody who—to come who knows what he or she is talking about, an expert.

Mr. Paxton. Uh-oh. [*Laughter*]

The President. Usually it's a Ph.D. I know you're not one. And I—[*laughter*]—and I like to tell people, "He's a Ph.D.

I'm a C student—was a C student—and look who the adviser is." [*Laughter*] So all you C students out there, work hard, but there's hope for you. [*Laughter*]

All right, Rick. Rick studies markets and investments. Let her rip.

Mr. Paxton. Yes, sir. Well, first, I have with me today my wife, Anne, and my two wonderful children, Chris and Elizabeth.

The President. Well, good. Welcome.

Mr. Paxton. And on behalf of my children, I just want to thank you for being brave enough to take this on. I know it's politically been a thing that's been talked about. I can remember 30 years ago in a college economics class, the professor talking about the coming problem because of our generation, the baby boomers.

The President. Yes.

Mr. Paxton. And I just want to commend you for taking this on.

The President. Well, thanks Rick. You're kind to say that, thank you. That's what you're paying me to do. Go ahead.

[*At this point, Mr. Paxton made further remarks.*]

The President. Yes, that's interesting. I hope everybody understands what he's saying. If you keep your money and it grows, it tends to—it accelerates; it snowballs, I guess. It's not a very sophisticated terminology, I recognize——

Mr. Paxton. That's very good.

The President. Thank you. Well, I did pay attention to some courses. [*Laughter*] Anyway, but it grows.

You told me an interesting story about some of the seminars you conduct.

Mr. Paxton. Yes, sir. One of the jobs that I have is to go into companies and work on the retirement plans with them. And we address rooms of people who are planning for their retirement and enrolling in the retirement plan. For 15 years I've been doing this, and the first question I ask them and have for 15 years, "Is there anybody in this room who thinks that they'll be able to depend on their Social Security when they get there? Do you think it will be there for you in retirement?" And in 15 years, I've never had a hand go up.

The President. Interesting, isn't it? Think about a Government that has this program where we're taking a lot of money out of your pocket. And he goes in a room and says, "Anybody think they're going to see a check"—these are younger workers he's talking to—"or think the system will be there for them," and they don't raise their hand.

What are the—Government must build trust. And one way you build trust is you say that when you put money into something, you're going to get something out of it. Now, if you're an older American, you're in good shape. But the dynamics have shifted. And what the amazing thing is, a lot of youngsters understand what he's talking about. They're beginning to see the realities of a Social Security system that is not solvent for them. It's solvent for their dads and granddads and grandmoms. It's not solvent for them.

You know, they tell me—somebody told me about a survey one time where the youngsters said they're more likely to see a UFO than a Social Security check. [*Laughter*] It's got to be a little disheartening if you're a person who believes you're more likely to see a UFO than get a Social Security check and you're paying into the system, hoping that the system is available for you. And that's why I keep trying to explain to people—or do explain to people, this is a generational issue. Grandmoms and granddads ought to be worried about their grandchildren coming up and putting money in a system that's not going to be available for them.

What else you got? I've got a question for you. I've got an interesting—you know what's interesting about our society—and there is some concern. I readily understand that people are nervous about maybe investing their money, particularly older Americans that aren't used to it. But think about what's taking place in society today—

401(k)s. You look like kind of an older fellow. Were you aware of a 401(k) when you were 20 years old?

Mr. Paxton. I wish they were around then.

The President. Yes, 401(k)s are investment vehicles for workers to watch their own money grow. It's part of retirement. A lot of people have them. I was in an automobile factory in Mississippi, talking to line workers. I said, "How many of you all invest your—watch your own money grow and make investment decisions for your money through a 401(k) plan, in this plant?" I'm telling you, hands went up—a lot of hands, people from all walks of life. The culture is changing. We've got investors now all across America, people from all walks of life learning to invest. IRAs—I'm sure you're spending a lot of time on that.

Mr. Paxton. Sure.

The President. So when you hear people say, "Well, I'm not so sure if America is ready for this," two things come to my mind. One, a lot of Americans already are watching their own money grow. And two, you can learn pretty quick when you're watching your own money. You know what I'm saying? You ask a lot of questions when it's your money, and you learn really fast.

And so, Rick, thank you for coming. I appreciate it.

Mr. Paxton. You're welcome, sir. Thank you for inviting me.

The President. We've got Clay Walton. Speaking about younger—I don't know about UFOs and Social Security checks; I do know you're a farmer. Isn't that right?

Charles Clayborn Walton III. Yes, sir.

The President. Well, say something, then. [*Laughter*]

Mr. Walton. That's correct.

The President. Okay. What do you farm?

Mr. Walton. I'm from here in Hopkinsville.

The President. Like what crops?

Mr. Walton. I grow alfalfa hay.

The President. Very good. Is the market all right? I shouldn't have asked that—it's never all right if you're a farmer, is it?

Mr. Walton. You can buy some, if you want. [*Laughter*]

The President. Take it back to Crawford. [*Laughter*]

So tell me, has this family farm been around for a while?

Mr. Walton. Yes, sir, it sure has.

The President. Good.

Mr. Walton. My father and my grandfather and even my great-grandfather.

The President. Really? Which brings up another subject. We've got to get rid of the death tax forever. We want to keep this asset in this man's family. Talk about passing assets from one generation to the next, farmers are pretty good about that. It doesn't make sense to tax a person's assets twice—when you're living and then when you die.

Anyway, sorry to interrupt, just a thought that popped into my head—[*laughter*]—happens occasionally. [*Laughter*]

What's your concerns on Social Security?

Mr. Walton. Well, my concern is, being a farmer, Social Security is really the only thing I have. Nobody offered me a 401(k) or anything when I started farming. And I'm paying into it all these years, and I'm really counting on it, and I would kind of like it to be there when I retire.

The President. Interesting, isn't it. Here's a sole proprietor, kind of a man out there on his own, and he's paying into the system and sounds like to me—I don't want to put words in your mouth, but it sounds like you might be a little nervous about whether it's going to be there.

Mr. Walton. Oh, absolutely.

The President. Yes. Congress has got to understand you've got a 29-year-old farmer working hard, putting money in the system. He's sitting right up here in front of all these cameras saying, "I'm not so sure the system is going to be there for me." That's the problem. And that's the problem that

I'm going to spend whatever time is necessary talking about to get the folks up there to get something done on behalf of this good man. He works hard enough to [not] * have to worry about whether or not Congress can do the right thing with his money.

What else you got?

Mr. Walton. I have a new wife.

The President. Well, that's a good move. [*Laughter*] That's the smartest thing you did. [*Laughter*] Good, I'm looking forward to meeting her.

Mr. Walton. All right, you will.

The President. Have you ever thought about the personal accounts at all? Has that thought ever——

Mr. Walton. Oh, I think that's a very good idea. I mean, you know, anybody that's just giving their money away, they—you know, having choices and options for a little bit of our money seems reasonable to me.

The President. Yes, seems like it is to me. I mean, what's wrong with Government saying, "If you so choose"? I recognize that's maybe a little different philosophy than some have in Washington. But it says, "We trust you." After all, who should Government trust? Government ought to trust the people. That's how this Government is formed. That's the strength of our country, is trusting people. And after all, we're trusting you with your own money. You said you're working hard; you're paying in the system. I just want you to recognize—I recognize whose money it is. It's not the Government's; it's yours.

You're doing fine. Is it raining enough for you?

Mr. Walton. Growing a little bit more now.

The President. That's good. All right, Erica.

Good job. When were you married, by the way?

Mr. Walton. A little over 6 months ago.

The President. Should have invited me. [*Laughter*] Never too late, get a couple of matchbooks or something. [*Laughter*]

Erica Campbell—thank you, good job. Erica, welcome.

Erica Campbell. Hello.

The President. What do you do?

Ms. Campbell. I'm a full-time nursing student and part-time medical assistant at OB GYN Associates.

The President. Awesome. Need a little medical liability reform in Washington, DC, by the way, to keep these ob-gyns in practice.

Ms. Campbell. Yes, we do.

The President. You've also got a—your most important job, however, is——

Ms. Campbell. I'm a mother.

The President. There you go.

Ms. Campbell. I have a 4-year-old daughter named Kyler.

The President. Fantastic. Is she here?

Ms. Campbell. She's right over there. Hi, Kyler.

The President. Sound asleep.

Ms. Campbell. Asleep? Okay.

The President. Laura told me not to talk too much. I put her asleep, didn't I? [*Laughter*] This is—I love this story by the way. Here's a single mom, working hard, working a job—two jobs—mom, first, a—what did you say you were, an ob-gyn?

Ms. Campbell. A medical assistant.

The President. Medical assistant.

Ms. Campbell. And a full-time nursing student.

The President. Now going—a student, becoming a student, which is great. I appreciate you doing that. It's—you're doing your duty. Now, here you are talking about Social Security. Tell—give me some thoughts.

[*Ms. Campbell made further remarks.*]

The President. Let me stop you right there real quick. Isn't it interesting, a mom sitting here talking about a 401(k) or an

* White House correction.

IRA. These are investment vehicles that encourage people to save their own money.

Now, tell me what it's like on a 401(k). I mean, do you get a monthly statement, quarterly statement?

Ms. Campbell. We get—it seems like every day we get a piece of paper from it. [*Laughter*] But it's like every 2 weeks——

The President. Oh, that's good.

Ms. Campbell. ——I think we get a statement from it. It's taken out of my paycheck before I ever see it, so I don't miss it. And it's right there, and I get to keep up with it.

The President. And you get to look at it.

Ms. Campbell. It's actually through Hilliard-Lyons.

The President. That's good. Doesn't it make sense to have a society in which people are constantly reminded about growth of their assets? It seems like to me it would cause people to pay pretty close attention to what the Government's decisionmaking process is like. I mean, here's a young woman who opens up on a bimonthly basis her statement, reminding her that she owns that. That's part of an ownership society.

Keep going. [*Laughter*]

[*Ms. Campbell made further remarks.*]

The President. This is what we're talking about. We're talking about giving a worker, a fellow American, the opportunity, if she so chooses, to take some of her own money, watch it grow just like she's doing in a 401(k), building up a nest egg, an asset base which will give her peace of mind. In other words, an asset that she can pass on to her young daughter.

Now, this asset will grow over time, as we talked about. The interest compounds at a reasonable enough rate. It grows. And I just—I cannot believe that people in Washington, DC, are—don't understand the power of this idea for a person like Erica and wouldn't be willing to give Erica the opportunity, if she chooses—her choice—to set aside some of her own money, just like she just said she wants to do.

And—is it hard to invest? I mean, do people—I hear people say, "Well, it may be too difficult."

Ms. Campbell. I did it. I didn't think it was too hard. I'm not a rocket scientist, but whenever you sign up for your job, they just set it down and explain it to you right then, and you sign up for it, and you don't have to do anything else if you don't want to.

The President. See, there's plenty of help. And you've got advisers, people who are going to—and these 401(k) plans, for example—and I'm—there will be a whole group of people that will be available to give people reasonable advice about what to do with their own money. And it's really important for our fellow citizens to understand it doesn't take much to get a better rate of return than the Government is getting for you now. And that differential makes a huge difference for future savings for our fellow citizens.

Erica, thank you. Looking forward to meeting Kyler.

Ms. Campbell. Thank you.

The President. We better not wake her up yet, though, right?

Ms. Campbell. We're waking her up for the picture. [*Laughter*]

The President. Yes, okay, good. Thanks for coming.

Lindsay Freeman. Lindsay, right here from Hopkinsville?

Lindsay Freeman. Right here in Hopkinsville, 68 years.

The President. Really, and that's how old you are?

Mr. Freeman. Yes, sir. [*Laughter*]

The President. So therefore, you were born here.

Mr. Freeman. Yes, sir.

The President. And you were a major general?

Mr. Freeman. I retired from the Army Reserve as a major general, yes.

The President. Thanks for serving. Good job. You get—you're eligible for Social Security?

Mr. Freeman. Yes, sir.

The President. Are you getting it?

Mr. Freeman. That's a big part of my income today, is my Social Security.

The President. A lot of people like Lindsay in America—"a big part of my income." "How I live my life depends upon the Social Security check." And there's thousands and thousands of people like Lindsay. They're saying, "I need my check, Mr. President. Don't take it away from me. Don't mess with it." And he doesn't have to worry about it. I hope that message has sunk in.

Mr. Freeman. Well, I'm not worried about it for me, but I'm worried about it for my daughter who is out here, Elizabeth. And she works for the drug court. And we're worried about it for my son who is an equine veterinarian out in Utah.

The President. Really. That's good. That's what I'm hearing a lot more of, by the way. Once we've convinced seniors there's nothing to worry about, then they're starting to say, "Well, Mr. President, I'm not worried about me, but what are you—what do you all intend to do in Washington about my children or my grandchildren?"

This is—folks, this is a generational issue we're talking about. This is an issue that really does relate to a younger generation of Americans who are just starting in the workforce and coming up.

What else you got on your mind?

Mr. Freeman. Well, I need to introduce my wife, Nancy, who is a former schoolteacher, is here. And she's the one in the wheelchair over there with the broken leg. And then my daughter's friend, Kenneth Stoll is a firefighter——

The President. Fantastic.

Mr. Freeman. And then my sister-in-law, TC Freeman, works for Senator Bunning. So we have a diverse family.

The President. Yes, well—fortunately, you don't have a large family. Otherwise we'd still be—[*laughter*].

Let me say something about your wife. First of all, thanks for being a schoolteacher. One great way to serve our Nation is to teach school, and it's a wonderful profession.

Mr. Freeman. Well, I worked in a family business for almost 50 years, and of course, I paid self-employment tax for all those years. And I just wish that I'd have had an opportunity to invest some of my own money 50 years ago. And I would have invested it in a real safe mutual fund. And based on Rick's statistics, I'd have been a millionaire.

The President. That's right. Well, he's not kidding, though. You put enough money aside, and you hold it long enough, and you get a decent rate of return, money grows. That's what people have got to understand. We're missing that opportunity in America. One way to make this system work better, a better deal for people who are putting hard-earned money, is just give them a chance to watch their money grow in a conservative mix. And that's what you're talking about.

I appreciate you reminding people of that. I'm also beginning to hear more people saying, "I wish I'd have put a little something aside or had the opportunity, if I so choose, to put money aside." And that's all we're saying. We're saying, "If you want to, you can put it aside." The Government is not saying, "You have to." We're saying, "You ought to be able to," which seems reasonable. After all, they get to.

What else you got, General?

Mr. Freeman. Well, I still work part-time for BMAR & Associates, which is located here in Hopkinsville, and Terry Hamby is the president, and he has about 1,400 employees. And he really pushes your Social Security program, I'll tell you.

The President. Well, I appreciate that. Tell him thanks.

You know, one of the interesting things that Lindsay said, there are a lot of businesspeople who contribute 12.4 percent into the Social Security, a lot of sole proprietors. They pay the whole deal. You know workers pay 6.2 percent, but if you're self-employed, you're liable to pay 12.4 percent, which doubles the pain if you're a young self-employed person, when you think nothing is going to be there.

And so we're really dealing with an issue that not only relates to a person being able to retire—in other words, listen, Social Security has been a safety net—let's put it that way—and there's a big hole in the safety net for a younger group of Americans, and we're trying to bind that hole up.

But we're also giving people a chance to pass on assets from one generation to the next. That's what a free society is all about, isn't it? People work hard; they benefit from the freedom of America; and then they're able to pass something on to the next generation, if that's what they choose to do. To me, that brings stability to our society. It's an incentive. It gives people peace of mind. It gives a young mom peace of mind.

We've got an interesting person with us here. That would be you. [*Laughter*] Cecil Ferrell.

Cecil Ferrell. Right.

The President. Microphone—I'm a little hesitant to tell her anything after that—she reminds me of my mother a little bit. [*Laughter*]

Mrs. Ferrell. I thought I was just supposed to hold it; I didn't know I was supposed to talk in it. [*Laughter*]

The President. Well, we're trying to get some wisdom from you. I'm really hungry. [*Laughter*]

Mrs. Ferrell. You are?

The President. Can you help me out?

Mrs. Ferrell. Well, I tell you, the only thing is to bring you a hamburger. [*Laughter*]

The President. That's it. Cecil Ferrell was one of the founders and owners of Ferrell Hamburgers. When did you all start the deal—start your business?

Mrs. Ferrell. We started in Owensboro in 1929. We had two places there. My husband and his four brothers were all in together. And so when they built the one in Hopkinsville, David and I moved down here and took over. So we've been here for 69 years.

The President. Whew, that's a lot of burgers.

Mrs. Ferrell. That's right. A lot of water under the bridge. A lot of water under the bridge. [*Laughter*]

The President. That's right, a lot of water under the bridge.

Mrs. Ferrell. I have—my husband died in 2001, and my daughter died in 2002——

The President. You've had a tough go.

Mrs. Ferrell. My son is here. He——

The President. Where is he?

Mrs. Ferrell. He's over here, Phillip.

The President. Are you still telling him what to do? [*Laughter*]

Mrs. Ferrell. No, you don't tell him anything. [*Laughter*]

The President. You're doing good.

Mrs. Ferrell. His wife is with him, Carolyn, and one of my grandsons, David, lives in Bowling Green. He drove down.

The President. That's good. You have a family reunion.

Mrs. Ferrell. Just to see you.

The President. Just to see you. [*Laughter*] I take it you're eligible for Social Security?

Mrs. Ferrell. Well, I'm getting that way. [*Laughter*] I'm 86 years old. I go to work every morning at 4 o'clock. [*Applause*] How about that?

The President. You're doing good.

Mrs. Ferrell. I stay there usually around 12 hours a day. On Monday, I go in at 3, and I stay for about 12 hours. So that's a pretty full life.

The President. I'd say so. See if we can kind of track back toward Social Security here. [*Laughter*]

Mrs. Ferrell. Okay. Well, I draw——

The President. Are you getting a check?

Mrs. Ferrell. I draw my husband's Social Security.

The President. Right, you draw the——

Mrs. Ferrell. Mine, I wasn't getting anything, so—[*laughter*].

The President. Remember what I told you? She had a choice, the higher of the two. So the payroll tax you put in there just, poof, just went away.

Mrs. Ferrell. Yes, it just went the way of the balloon.

The President. Yes, it went in to pay for some of those Government programs in the pay-as-you-go system.

Mrs. Ferrell. Right.

The President. And you're getting a check. Any doubt you'll get a check?

Mrs. Ferrell. No, I don't have any doubt. And I think that——

The President. That's good to hear.

Mrs. Ferrell. ——I think the system that you're working up is going to work if people will just get with it and hang in there with you.

The President. I think it will. I appreciate you saying that.

Mrs. Ferrell. Is my face red?

The President. No, not at all. You're doing good. [*Laughter*] You know what the problem is in Washington?

Mrs. Ferrell. What?

The President. There is kind of a zero-sum attitude. See, if we do this, so-and-so might look good or such-and-such party might benefit, and, therefore, let's do nothing. It's not the right attitude, you know that?

Mrs. Ferrell. No.

The President. This country expects better out of the elected officials. Don't you?

Mrs. Ferrell. People have to learn how to work together.

The President. Well, that's right. And my attitude is this: The President's job is to lay the problem out. I've done so here today. I will continue doing so around the country. I'm heading down to Crawford, but after that I'm going to head back out again, and I'm going to spend time talking about Social Security every week until something gets done, because that's my job. And my job also is to remind people of both political parties that there's a time to set all that business aside and focus on what's good for the American people.

And what's good for the American people is to hear the truth. The truth is we've got a problem. The truth is people who have retired are going to get their checks; they have nothing to worry about. And the truth is they've got a younger generation of Americans coming up that are going to be paying into the payroll—paying through payroll tax into the Social Security system, into a system that's going to be bankrupt in 2041.

And now is the time. Now is the time for people to come together. And when they do, there will be plenty of credit to go around, plenty of credit for whoever is willing to come to that table and do what's right for the American people.

I want to thank you all for joining us. I want to thank you all for coming out today on a rainy day to say hello. I appreciate you giving me a chance to come and explain one of the really vital issues for the United States, an issue that will affect generations of Americans to come. We're going to get something done, folks. You know why? Because when it's all said and done, the American people are going to rise up and say, "Solve this problem. Then you can go on to the next."

Thanks for coming. God bless.

NOTE: The President spoke at 2:30 p.m. at the Hopkinsville Christian County Conference and Convention Center. In his remarks, he referred to Gov. Ernie Fletcher of Kentucky; E.O. and Ginny Whitfield, parents of Representative Ed Whitfield; and Mayor Richard G. Liebe of Hopkinsville, KY.

Memorandum on Strengthening Information Sharing, Access, and Integration—Organizational, Management, and Policy Development Structures for Creating the Terrorism Information Sharing Environment
June 2, 2005

Memorandum for the Heads of Executive Departments and Agencies

Subject: Strengthening Information Sharing, Access, and Integration—Organizational, Management, and Policy Development Structures for Creating the Terrorism Information Sharing Environment

The Federal Government collects information pursuant to law for many purposes, including to protect the Nation against international terrorism and other threats to the Nation's safety and well-being. The Federal Government faces great challenges in ensuring timely, effective, and lawful collection, processing, analysis, and dissemination of such information. It is of particular importance to ensure that Federal agencies have appropriate access to the information they need to perform their homeland security, diplomatic, defense, foreign intelligence, and law enforcement functions, and that State, local, and tribal authorities have appropriate access to the information they need to perform their homeland security functions. Ensuring appropriate sharing and integration of and access to information, while protecting information privacy rights and other legal rights of Americans, remains a high priority for the United States and a necessity for winning the war on terror.

Section 1016 of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108–458) (IRTPA) calls for the creation of an "Information Sharing Environment" to provide for Federal, State, local, and tribal access as appropriate to terrorism information and for the designation of a program manager "responsible for information sharing across the Federal Government." Section 1016 supplements section 892 of the Homeland Security Act of 2002 (Public Law 107–296), and Executive Orders 13311 of July 29, 2003, and 13356 of August 27, 2004, and other Presidential guidance, which address various aspects of information access. On April 15, 2005, I designated the program manager (PM) consistent with section 1016(f) of IRTPA, and on April 21, 2005, my memorandum entitled "Effective Dates of Provisions in Title I of the Intelligence Reform and Terrorism Prevention Act of 2004" placed section 1016 in effect.

The Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction (Commission), in its report of March 31, 2005 (Chapter 9), stated that "[t]he confused lines of authority over information sharing created by the intelligence reform act should be resolved." To that end, the Commission recommended that "[t]he overlapping authorities of the [Director of National Intelligence (DNI)] and the Program Manager should be reconciled and coordinated—a result most likely to be achieved by requiring the program manager to report to the DNI."

Consistent with the Constitution and the laws of the United States, including section 103 of the National Security Act of 1947 and sections 1016 and 1018 of IRTPA, and taking appropriate account of the recommendations of the Commission, I hereby direct as follows:

1. The DNI shall promptly designate the PM, and all personnel, funds, and other resources assigned to the PM, as part of the Office of the Director of National Intelligence (ODNI) pursuant to section 103(c)(9) of the National Security Act of 1947 and shall administer the PM and related resources as part of the ODNI

throughout the initial 2-year term of the PM's office.

2. During the initial 2-year term of the PM's office, the DNI:

(a) shall exercise authority, direction, and control over the PM;

(b) shall ensure that the PM carries out the functions of the PM under section 1016 of IRTPA and this memorandum—

(i) in a manner that facilitates the effective accomplishment of Federal homeland security, diplomatic, defense, foreign intelligence, and law enforcement functions and that facilitates provision to State, local, and tribal authorities of appropriate access to information they need to perform their homeland security functions; and

(ii) consistent with applicable law and Presidential guidance relating to information access, including Executive Orders 13311 and 13356; and

(c) shall ensure that the PM has employed by, or assigned or detailed to his office personnel with substantial information sharing experience relating to homeland security, national defense, law enforcement, and State and local governments to the maximum extent possible;

3. Heads of executive departments and agencies shall, to the extent permitted by law and pursuant to section 1016(i) of IRTPA, provide assistance and information to the DNI and the PM in the implementation of this memorandum.

4. This memorandum:

(a) shall be implemented in a manner consistent with applicable law, including Federal law protecting the information privacy and other legal rights of Americans, and subject to the availability of appropriations;

(b) shall be implemented in a manner consistent with the statutory authority of the principal officers of departments and agencies as heads of their respective departments or agencies;

(c) shall not be construed to impair or otherwise affect the functions of the Director of the Office of Management and Budget relating to budget, administrative, and legislative proposals; and

(d) is intended only to improve the internal management of the Federal Government and is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity by a party against the United States, its departments, agencies, or entities, its officers, employees, or agencies, or any other person.

GEORGE W. BUSH

Remarks at a Dinner for Senator James M. Talent in St. Louis, Missouri *June 2, 2005*

Thank you all for coming. Thanks for the warm welcome. Please be seated. My arm still hurts from the last time—or one of the last times I came to St. Louis. I tried to fire a 90-mile-an-hour fastball on opening day—[*laughter*]—got up there about 60, maybe. [*Laughter*] But I love coming to your town. Thanks for having me. Thank you all. Those of you who have traveled—I want to thank those of you who traveled from outside this great city of St. Louis to come to support Talent.

The "Show Me" State—my attitude is, show me a good Senator, and I'm going to back him. And we've got a great Senator in Jim Talent. I appreciate his spirit. I appreciate his working with the White House. He's an independent enough guy to tell

us if we're not doing right. In other words, he is the kind of person you want from a State of strong, independent people: Tough, principled, unwilling to yield when he stands for—when he believes he's correct. And that's the way Jim Talent is. Every time I'm with him, he's always talking about the citizens of Missouri. I say, "What about Texas?" He says, "Well, they're all right down there." [*Laughter*]

So I'm proud to stand here with him. And I think the people of Missouri will be wise to send this good man back to the United States Senate.

And Talent married well—[*laughter*]—Brenda, I appreciate you being here. It's good to meet your mother-in-law. It's a smart thing to bring the mother-in-law through the photo op line. [*Laughter*] Not only is he a good Senator, he's a smart son-in-law. [*Laughter*] I was also thrilled to meet Michael and Kate and Chrissy, Jim and Brenda's children. See, what's important to the Talents is putting their family first. That's what I like about Jim Talent. He's got his priorities absolutely straigh—faith, family, and the United States of America.

He married well, and so did I. And Laura sends her love to all our friends here in Missouri. You might have noticed that she's become quite a comedienne. [*Laughter*] More importantly, she's a great First Lady. I was proud of her trip recently to the Middle East. She's sending a strong message as part of the freedom movement, and that is, you can't be free unless women have a free role in society. So not only is she a great comedienne, she's a great diplomat. But more importantly, she's a wonderful mother, wonderful wife, and a great First Lady for the United States.

And I want to thank the senior Senator. That's appropriate to call you senior, but you are a little older than Talent, at least. [*Laughter*] Kit Bond has served this State with great distinction for a long time. He's a great friend and a great man. I appreciate you being here, Kit, and his wife, Linda Bond.

And I'm proud of your Governor. It still amazes me that you are old enough to meet the age requirement. [*Laughter*] He's the youngest looking Governor in America. It turns out he's a young-looking man who can get a lot done. And I appreciate your leadership in the statehouse, Matt. Good job. And the Lieutenant Governor is with us, Pete Kinder. I've known Pete a long time, and I appreciate your serving, Pete, and joining Matt and making this State be all that it can be.

I want to thank Congressman Kenny Hulshof as well, and his wife, Renee. Kenny is a bright star in the House of Representatives from the great State of Missouri. I love talking to Kenny. He's a thoughtful fellow. Every time I see him he says "soybeans." [*Laughter*]

I thank Mike Gibbons and his wife, Liz. Mike is the State senate president pro tem. I want to thank Rod Jetton, the speaker of the statehouse, and his wife, Cassie. Thank you all for coming. I want to thank all of you all who serve.

Somebody told me they thought Ambassador Danforth would be here tonight. I hope so. I do want to say that he represented our country so well. Jack, thanks for coming, and thanks for serving. Thanks for serving so admirably in the United Nations. As well, thanks for taking on a tough assignment. I asked Jack Danforth from the State of Missouri to help resolve the Sudan civil war, the conflict between north and south. And unfortunately, Darfur has obscured the great progress that Ambassador Danforth made on behalf of peace. And when it's all said and done, Jack, your contribution to helping solve that problem will go down in history as one of the great humanitarian gestures by our country, led ably by you. Thank you, sir.

I want to thank all the folks who helped put on this fundraiser. It's an incredibly successful evening and—which speaks not only to your hard work but also to the

admiration that your Senator has earned by the people of Missouri.

We've got a lot to do in Washington. One of the things I like about Talent is he understands that our job in Washington is to confront problems, not pass them on to future Congresses. In my case, to confront problems and not pass them on to future Presidents. That's our job. That's what the American people expect from those of us who have been elected. And we've got some problems we got to solve.

Now, we dealt with one of our problems, and that is our economy. We had some tough times for a while because of the enemy attack and the down cycle of our economy. I don't know if you know this or not, but in the last 2 years, we've added over 3.5 million new jobs. More Americans are working today in our country than in the Nation's history. And I appreciate the fact that Jim understands we can't rest, that the job of Government isn't to create the wealth but an environment in which people are willing to risk capital, an environment in which there's a reasonable chance for America to stay competitive in the world.

And one way to do that is to make sure we finally get an energy policy out of the United States Congress. When I first got to Washington, I recognized that our country was too dependent on foreign sources of energy. And so I went to the Congress and said, "Here is a strategy that will encourage more conservation, a strategy that will use research and development dollars to make it more likely we'll have more renewable sources of energy, a strategy that says we can explore for oil and gas in environmentally friendly ways in America, a strategy that recognizes we need to use nuclear power, a strategy that says we need clean coal technology, a strategy that says we can use soybeans to refine biodiesel." It's a smart strategy.

But it's been stuck. There's too much politics in Washington, DC. It's been stuck. They got it out of the House, and thanks to Jim Talent's leadership and Kit Bond's leadership, they're going to get a good bill off the Senate floor. I'm going to sign a bill. For the sake of national security and for the sake of economic security, Congress needs to get me a good energy bill by the recess, by the summer recess break this year.

Jim Talent knows what I know: Smart policy will enable us to grow out of our hydrocarbon society, which we're going to have to do. I went to a refinery in Virginia the other day—it's an unusual kind of refinery; it's a refinery that refines biodiesel—and saw a new C.A.T. engine that can burn 100 percent biodiesel with no exhaust. See, technology is going to enable us to diversify away from our old habits, which will be good for our country, good for our economy. And the United States Congress can help that diversification process through wise policy. Jim Talent understands that, and I'm going to keep pushing hard to make sure the rest of the United States Senators understand that.

I appreciate the fact that we passed a good, tough budget out of the United States Senate. I hope you appreciate that as well. We've got to show the people of this country that we can be wise about how we spend your money. Notice I didn't say the Government's money—how we spend your taxpayers' money. And so I said to them, "Here's a way to cut our deficit in half, meet our priorities, but it requires fiscal discipline." And I want to thank Jim Talent for his understanding that you can't be all things to all people when it comes time to spending the taxpayers' money. You have to set priorities. You have to have goals, and you must show fiscal discipline. We passed a good budget. I'm looking forward to working with this good Senator to make sure the appropriation process stays stuck to the budget.

I'm also working on Social Security for a reason. The reason is, is that there is a huge problem looming for a younger set of Americans. I just came from Hopkinsville, Kentucky—Hopkington, Kentucky,

and I told the people there what I've been telling folks all across the country, that if you get your check, you have nothing to worry about. I mean, the Social Security system is just fine for people receiving their check. But because baby boomers like me are getting ready to retire—see, my retirement age shows up at 2008—[*laughter*]—which is a convenient year. [*Laughter*] But the problem for younger workers is there's more than just me retiring. There's a whole slew of us called baby boomers. As a matter of fact, about 73 million of us are set to retire.

To put that in perspective, there's something like 42 million retirees today. And I don't know about the rest of you baby boomers here, but I plan on living longer than the previous generation. As a matter of fact, I'm trying to exercise on a daily basis so that I do live longer. And not only that, but we have been promised greater benefits than the previous generation. So you've got a lot of baby boomers living longer, getting greater benefits, with fewer people paying into the system.

In 1950—I don't know if you know this or not—but 16 workers paid for every retiree. Today, there's 3.3 workers paying for every retiree. Soon there will be 2 workers paying for every retiree. So we've got a problem, folks. It's not a problem for people who receive their check. It's a problem for people coming up. It's a problem not for the grandparents but the grandchildren.

And so I think now it's time to do something about it, and so does Jim Talent. And I've laid out some proposals. One of them is, why don't we just slow down the growth rate of benefits for some of the wealthier citizens. Their benefits will grow but not as quite as fast as Congress of the past thought they ought to grow. It's called progressive indexing, which, by the way, will get most of the problem solved.

I also think younger workers ought to be allowed to take some of their own payroll tax and set up in a voluntary personal savings account. You know why? Right now the Government gets a whopping 1.8 percent on your money when we hold it in the payroll tax. With a conservative mix of bonds and stocks, you can get at least 4½ percent. You compound that difference over time, somebody is going to have a pretty sizable nest egg they can call their own.

The reason I like Jim Talent is because he wants to promote an ownership society in America. He and I reject this business about the investor class only pertains to a certain group of people. We believe everybody in this country ought to own assets. We believe everybody ought to have the ability to pass on their assets to whomever they choose. We know that when you own something, you have a vital stake in the future of the United States of America. Now is the time to not only fix Social Security for generations to come but to make Social Security a better deal for all Americans.

And when we get that done, we're going to reform the Tax Code. I put together a group of Democrats and Republicans to make some recommendations. I'm looking forward to seeing what those recommendations are. But I'll tell you one thing: I know I will have a strong ally in Jim Talent in making sure the Tax Code is more fair, is less large, and accomplishes the mission, and that is to collect revenues for our Government in a fair, honest way.

Do you realize that—I read a report the other day where some person estimated from the IRS that there's about $325 billion a year in people avoiding taxes. That just isn't right. And part of it has to do with the complexities of the Tax Code. For the sake of an economy that grows and for the sake of a better America, we've got to reform the Tax Code of the United States, and we will.

I've got a good ally in Jim Talent when it comes to legal reform. One sure way to make sure this country isn't competitive is to allow these frivolous and junk lawsuits to continue to plague people who are trying

to run businesses. We got too many lawsuits in America, plain and simple. I want to congratulate Matt for getting good legal reform out of the legislature. We ought to do the same thing in Washington. We got a good class-action reform bill out, and I want to thank Jim for his work on that. I think we're going to get an asbestos bill out here pretty quick, which would be good news. Got a good bankruptcy bill out.

We need one other bill that's really important. You know, when I went to Washington, I said, "Well, most of these legal matters can be solved at the State level," until I began to look at the effect on the Federal budget of these junk and frivolous lawsuits against docs. Because of these lawsuits, doctors either get run out of business, or the premiums go up—which cost you or the taxpayers more money—or they practice defensive medicine in order to stay out of the courts. It's estimated that these lawsuits cost the Federal Government about $28 billion a year. That's a lot. Even for all the money we spend, that's a lot. [*Laughter*] And it's not necessary. We want people to have their day in court if they get injured by a lousy doc, but we got to do something about these frivolous lawsuits.

I proposed a good piece of legislation that's now stuck in the United States Senate. Jim Talent is a strong backer for medical liability reform at the Federal level, and I want to thank him for his support.

I remember when Jim ran for the Senate, he said he would be Missouri's health care Senator, and he has kept that promise. We worked together to strengthen Medicare by giving seniors more choices and by modernizing the system to include a prescription drug benefit. Talent understood what I know—what kind of system is it where we pay for surgery from a heart attack but not the medicine to prevent the surgery from being needed in the first place? It was an antiquated, outdated system that needed market incentives in the program and needed to be brought up to date for the sake of our seniors. The Medicare bill that Jim helped pass out of the United States Senate is a good piece of legislation that will mean better quality of life for our seniors in America.

And finally, an issue I know is dear to his heart is association health plans. You know, too many small businesses can't afford health insurance for their employees. And there's a practical way to deal with the problem, and that is to allow small businesses to pool risk across jurisdictional boundaries so they can buy insurance at the same discounts that big companies get to do. It is a sensible approach to helping deal with health care costs. It makes a lot of sense. Talent is the author of that idea on the Senate floor, and I look forward to working with him to get association health care plans past. And I want to thank you for your leadership on that issue.

There's a lot of issues that we could be talking about here, and he said, when I got up here, he said, "Make sure you keep it relatively short. These people paid a lot of money." [*Laughter*] I do want to talk about a couple of other things, though. Because of Jim Talent's leadership and steadfast support, our party will continue to support faith-based and community groups as a way to help heal hurt in America.

You know, I gave a speech the other day at Calvin College, and I talked about Alexis de Tocqueville. He had interesting observations about America in 1832. He talked about the strength of America being in the souls of our citizens and that people were able to find great comfort and solace and strength through civic organizations, voluntary organizations where people come together to help heal the hurts of society. That was true in 1832, and it's darn sure true today in 2005. The strength of this country lies in the hearts and souls of our citizens. And the Federal Government should not fear—should not fear the presence of faith to help deal with social problems, as a matter of fact, ought to welcome

faith programs and to help deal with social problems.

I appreciate Jim's willingness to join me in promoting a culture of life in America. I want to thank Jim for helping defend the institution of marriage from being redefined by activist judges. And speaking about judges—[*laughter*]—I want to thank both Senators from Missouri for understanding that every nominee a President sends up must have a fair hearing in the Judiciary Committee, an expeditious hearing in the Judiciary Committee and then an up-or-down vote on the floor of the United States Senate.

I nominated a fantastic woman named Priscilla Owen over 4 years ago to the bench, Fifth Court. She's a fantastic lady, tops in her law school class. In our State, you got to run for Supreme Court, and she ran for Supreme Court, got endorsed by Republicans and Democrats, won something like 80 percent of the State because she's a great judge. For 4 long years her nomination was held up for pure partisan reasons—4 years—and finally, as a result of never giving up and being steadfast and strong, she got her vote. I want to thank Senators Talent and Bond for supporting this great woman.

We got another confirmation that needs to get done too. It's time for the United States Senate to stop playing pure politics, stall politics, and give John Bolton an up-or-down vote on the Senate floor. People look at the Government and say, "What's going on with all this filibustering? Why can't people come together and do what's right for the country?" Listen, the United Nations needs reform, and I've got a man who can go up there and reform it. And John Bolton needs a vote. People are tired of this. And I appreciate the folks in Missouri sending a strong message to Washington: Focus on the people's business; stop playing politics; get something done for the good of the country. And that's the attitude Jim Talent brings to the Senate floor, and I appreciate that a lot.

Jim Talent also understands the war on terror goes on. He's a strong, strong supporter of our military, and I want to thank you for that. You know, we have a duty to make sure these troops get the best possible equipment and the best possible training. And we're fulfilling that obligation. You know, our strategy is clear on the war on terror. We're going to find them overseas so we don't have to find them—face them here at home. We will defeat them there in order to protect the homeland. The only way to defend America is to stay on the offense against these people, and that's exactly what the United States of America will continue to do.

There are two ways to stay on the offense. One is through good intelligence and good movement of troops and good work with the allies. And there's another way to stay on the offense against the terrorists, and that's to spread freedom. There's nothing that frightens these ideological killers more than democracy. It scares them a lot. They can't survive in a democracy. They can survive in places where tyrants have discouraged hope, suppressed people. They can't survive in an open society. See, they can't stand the light of freedom.

And so our strategy is twofold. One, we'll be tough as heck and stay on the offense, but we will also have great faith in the capacity of freedom to transform hateful societies to hopeful societies, to transform the conditions that create hate to the conditions that create hope. And that's what you're seeing around the world. It's a fantastic period in American history.

If you've got young children, I hope you explain to them what they're seeing. Think about the people in Afghanistan. It wasn't all that long ago that those poor people lived under the barbaric clutches of the Taliban. These people were so barbaric that young girls weren't even allowed to go to school, and if their mothers dared speak out, they were taken to the public square and whipped.

We liberated Afghanistan for our own sake. Remember, Afghanistan was the home of Al Qaida and its training camps. I laid out a doctrine that said, "If you harbor a terrorist, you're as guilty as the terrorists." And we told the Taliban to get rid of Al Qaida, and they wouldn't do it, and so it's important that when you say something, you mean it. It's important that when you say you're going to do it that you go ahead and do it, for the sake of peace. And we did. But as importantly, 25 million people were liberated in Afghanistan. It's fantastic to think about that.

I've had a lot of friends go over to Afghanistan, and Karen Hughes was there early on after the liberation, and she went again. And Laura has been over. And they say that the change is noticeable. Life is coming back, and people are excited.

I'll tell you a great American story. My barber was raised in Afghanistan. And she came over here to—there was a revolution or civil war or whatever you want to call it, and she decided to stay in America, raised her three kids here, and used her great talents and enthusiasm for her country to raise money to build two schools. Think about that. What kind of a country is it where you got a barber to the President working hard, using her influence and her contacts and her friends to raise money—quite a bit of money, by the way—to build schools in a faraway country, spectacular country that encourages compassion not only at home but abroad. Afghanistan is changing for the better, and as it does, the world will be more peaceful.

Listen, we got rid of Saddam Hussein in Iraq. Saddam Hussein was a threat to peace. Iraq is changing. I'm sure you were amazed, as was much of the world, at the 8½ million people who defied the car bombers and the killers and the suiciders to say as loud as they possibly can, "You will not prevent us from voting and exercising our rights as free citizens." What a spectacular moment in history.

And now we're standing with the Government as they struggle against these suiciders. But they're getting there. And our mission is clear there as well, and that is to train the Iraqis so they can do the fighting, make sure they can stand up to defend their freedoms, which they want to do. And then our troops are coming home with the honor they earned. And the world will be better off with a free Iraq and a free Afghanistan in the broader Middle East.

Ukraine had a freedom revolution. Lebanon is now having a freedom revolution. Listen, freedom is on the march. And the role of the United States of America is to stand with freedom lovers and reformers and believers in the power of democracy. And when we do so and as we do so, we'll leave a foundation of peace behind for our children and grandchildren.

We're living in a fantastic period in world history. And I want to thank Jim Talent for understanding the great opportunities America has to leave the world a better place for generations coming up.

Again, I want to thank you for supporting this good man. He's—like we used to say in Texas, when you find a good one, keep him. You got a great Senator in Jim Talent. I thank you for recognizing his talents. I thank you for contributing to his campaign. I thank you for talking up his good work in the coffee shops all around the State of Missouri. You don't have to worry about him; he'll be out right behind you, working hard to make sure that in this reelection campaign—the citizens of this State do the right thing.

It's an honor to be your President. I'd like to stay a little longer, but I'm headed to Crawford. I appreciate your warm reception. God bless you, and God bless our great country.

NOTE: The President spoke at 6:05 p.m. at the Millennium Hotel St. Louis. In his remarks, he referred to Gov. Matt Blunt of

Missouri; Karen P. Hughes, former Counselor to the President; and former President Saddam Hussein of Iraq.

Letter to Congressional Leaders Certifying Exports to the People's Republic of China
June 2, 2005

Dear Mr. Speaker: (Dear Mr. President:)

In accordance with the provisions of section 1512 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261), I hereby certify that the export to the People's Republic of China of the following items is not detrimental to the United States space launch industry, and that the material and equipment, including any indirect technical benefit that could be derived from such exports, will not measurably improve the missile or space launch capabilities of the People's Republic of China.

1. Three kilograms of Hydroxyl Terminated Polybutadiene resin, for the Shaanxi Hengtong Intelligent Machine Company, Limited, located in Xian, People's Republic of China, to be used for a research and development effort to produce a photo-curable resin for stereolithography equipment;
2. One combined thermal chamber and vibration test system, for the Yongji Electric Machine Factory, located in Yongji, People's Republic of China, to be used for thermal and vibration testing of locomotive engines;
3. One computer-controlled three-axes filament winding machine, for the Wave Cyber (Shanghai) Company Limited, located in Shanghai, People's Republic of China, to be used for production of small residential and light commercial pressure composite tanks and low pressure fiberglass water softener tanks; and
4. One 40 gallon double planetary vacuum mixer, for the Indium Corporation (Suzhou) Company Limited, located in Suzhou, People's Republic of China, to produce specialty materials for electronics assemblies, including solder paste.

Sincerely,

GEORGE W. BUSH

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. This letter was released by the Office of the Press Secretary on June 3.

The President's Radio Address
June 4, 2005

Good morning. America's economy is on the right track. Over the past 2 years, we've added more than 3.5 million new jobs. More Americans are working today than ever before. Homeownership is at an all-time high. Small businesses are flourishing. Factory output is growing. And families are taking home more of what they earn.

These are hopeful signs for our economy, and we must work hard to sustain that prosperity. When Members of Congress return next week, they need to take action on four key priorities for the American people.

First, Congress needs to complete an energy bill. America is growing more dependent on foreign oil, and that is driving up the price of gasoline across the country. For the past 4 years, I've called on Congress to pass legislation that encourages energy conservation, promotes domestic production in environmentally friendly ways, funds research into new technologies to help us diversify away from foreign oil, and modernizes the electricity grid. I applaud the House for passing an energy bill. Now the American people expect the Senate to act, so I can sign a good energy bill into law by August.

Second, Americans expect Congress to be wise with their money. I proposed a disciplined Federal budget that makes tax relief permanent, holds the growth in discretionary spending below the rate of inflation, and reduces discretionary spending for nonsecurity programs. The House and the Senate have worked together to pass a responsible budget resolution that keeps us on track to cut the deficit in half by 2009. Now Congress must keep its promise to exercise restraint on spending bills and to rein in mandatory spending. The principle is clear: Every taxpayer dollar must be spent wisely or not at all.

Third, Congress needs to ratify the Central American and Dominican Republic Free Trade Agreement, known as CAFTA. On Monday, I will travel to Florida to discuss CAFTA with leaders throughout the hemisphere. I look forward to telling them that CAFTA is a good deal for workers, farmers, and small businesses in the United States and throughout the hemisphere. About 80 percent of products from Central America and the Dominican Republic now enter the United States duty free. Yet American exports to those countries face hefty tariffs. CAFTA will level the playing field by making about 80 percent of American exports to Central America and the Dominican Republic duty free. CAFTA will lower barriers in key sectors like textiles, which will make American manufacturers more competitive in the global market. And CAFTA will make our neighborhood more secure by strengthening young democracies. CAFTA is a practical, pro-jobs piece of legislation, and Congress needs to pass it soon.

Finally, Congress needs to move forward with Social Security reform. This past week, I traveled to Kentucky to talk about Social Security. Next Wednesday, I will discuss Social Security with builders and contractors in Washington, DC. At each stop, I remind seniors they will continue to receive their Social Security checks every month. I also remind everyone that Social Security is in serious trouble for our children and grandchildren. Americans of all ages have made it clear they expect their leaders in Washington to strengthen Social Security for future generations.

By taking action on all these priorities, Congress will strengthen the long-term economic security of the American people. Americans expect members of both parties to set aside partisan differences and get things done. I look forward to working with Congress to achieve results in the days ahead.

Thank you for listening.

NOTE: The address was recorded at 12:30 p.m. on June 2 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on June 4. The transcript was made available by the Office of the Press Secretary on June 3 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks to the Opening Session of the Organization of American States General Assembly in Fort Lauderdale, Florida
June 6, 2005

Thank you all very much. Welcome to the United States. Thanks for having me. Madam Secretary, thank you for your service; thank you for your friendship; thank you for your short introduction. [*Laughter*]

Ambassador Maisto, Members of the United States Congress—four members, by the way, of the Florida delegation have joined us today, and I'm grateful that they have come. Secretary General Insulza, thank you; congratulations. Thank you for coming by the Oval Office the other day to give me a briefing. Assistant Secretary General, thank you, sir. It's good to see you again. Distinguished visitors and guests. I'm honored to be here at this meeting of the Organization of American States.

The ties that bind the Americas are particularly vivid here in Florida. I mean, if you spend any time in this State, you'll find people from all over our hemisphere who live here. This State has benefited because immigrants from throughout the hemisphere have made their homes here. I know firsthand—I'm pretty familiar with the State's Governor. [*Laughter*] He keeps me abreast of what's taking place in this State.

You know, our ties are represented in different ways. Perhaps you know this, but my brother was lucky enough to marry a fantastic woman from Mexico; the first lady of Florida is Mexican-born. A United States Senator from Florida, Mel Martinez, was born in Cuba. No, the ties in our hemisphere between America and our hemisphere are particularly strong in Florida. It's a perfect place to have the meeting. Thank you for choosing Florida.

As I look out at the distinguished foreign ministers, I find we have much in common. We're the children of the New World, founded in empire and fulfilled in independence. Our people are united by history and geography. And the United States shares a commitment with you to build an Americas that live in liberty, trades in freedom, and grows in prosperity.

We come together at a great moment in history, when freedom is on the march around our world. In the last year-and-a-half—think about this—we've witnessed a Rose Revolution in Georgia, an Orange Revolution in Ukraine, a Purple Revolution in Iraq, a Tulip Revolution in Kyrgyzstan, a Cedar Revolution in Lebanon, and these are just the beginnings. Across central Asia, hope is stirring at the prospect of change, and change will come. Across the broader Middle East, we are seeing the rise of a new generation whose hearts burn for freedom, and they will have it.

This love of liberty has long roots in our own hemisphere. Not long after the United States won its independence from Britain, patriots throughout the Americas were inspired to take their own stand. One of them was an Argentine general named Jose de San Martin. During the struggle for independence from Spain, the general declared, "In the last corner of the Earth that I might find myself, I will be ready to sacrifice my existence for liberty."

San Martin's dream of liberty has found a home in the Organization of American States. This organization's founding documents calls the Americas to its "historic mission to offer to man a land of liberty and a favorable environment for the realization of his just aspirations." That mission was given its clear direction in the Inter-American Democratic Charter declaring that "the peoples of the Americas have a right to democracy, and their governments have an obligation to promote it and defend it." And today, what was once a distant

dream is now within our reach, an Americas wholly free and democratic and at peace with ourselves and our neighbors.

In the new Americas of the 21st century, democracy is now the rule, rather than the exception. Think of the dramatic changes we've seen in our lifetime. In 1974, the last time the OAS General Assembly met in the United States, fewer than half its members had democratically elected governments. Today, all 34 countries participating in this General Assembly have democratic, constitutional governments.

Only one country in this hemisphere sits outside this society of democratic nations, and one day, the tide of freedom will reach Cuba's shores as well. The great Cuban patriot Jose Marti said it best, *"La libertad no es negociable."*

The dramatic gains for democracy we have witnessed in our hemisphere must not be taken for granted. Democratic change and free elections are exhilarating events. Yet we know from experience they can be followed by moments of uncertainty. When people risk everything to vote, it can raise expectations that their lives will improve immediately, but history teaches us that the path to a free and prosperous society is long and not always smooth. Each nation must follow its own course, according to its own history. Yet the old and new democracies of the Americas share a common interest in showing every citizen of our hemisphere that freedom brings not just peace; it brings a better life for themselves and their families.

In the new Americas of the 21st century, bringing a better life to our people requires choosing between two competing visions. One offers a vision of hope. It is founded on representative government, integration into the world markets, and a faith in the transformative power of freedom in individual lives. The other seeks to roll back the democratic progress of the past two decades by playing to fear, pitting neighbor against neighbor, and blaming others for their own failures to provide for their people. The choices we make will determine which vision will define the Americas our children inherit. We must make wise decisions today to ensure a better tomorrow.

To give our children a better tomorrow, our citizens must see that democracy delivers more than promises. They need to see in their daily lives that their hard work and enterprises are rewarded. They need to see that in a democratic society, people can walk in the streets safely, corruption is punished, and all citizens are equal before the law. And when the people of the Americas see that opportunity and social mobility are real, they will know that in a free and democratic society, the only limit to how far they can go is the size of their dreams.

The United States believes it has an obligation to help build this better tomorrow for all the citizens. Working with our partners in the region, my Government has helped the leaders of this hemisphere meet our goal of delivering treatment to 600,000 HIV sufferers across the region. In 2002, the United States launched the Millennium Challenge Account to help poor nations and to revolutionize the concept of development aid. My administration's approach is based on this commonsense idea that development aid works best in countries that are proving their commitment to govern justly, to invest in their citizens, and to open up their economies. Under this program, aid will go to those who deliver results for their people.

Next week, Honduras will become the second country to sign a Millennium Challenge compact—for a $215 million program that will help Honduran farmers grow better crops, as well as money to build highways that will open markets for them around the region and the world.

To advance economic development in the Americas, the U.S. Government already makes about $5 billion in loans and grants to the region throughout [through] * the

* White House correction.

Ex-Im Bank, the Overseas Private Investment Corporation, and the Trade and Development Agency. In preparation for the Summit of the Americas later this year in Argentina, my administration will be looking for new ways to prime the real engines of hope in the Americas, its small businesses and private enterprises and entrepreneurs. When people throughout the Americas see their lives improve and opportunity more abundant, their faith in democracy will grow and our hemisphere will be more secure.

In the new Americas of the 21st century, one of the surest ways to make opportunity real for all our citizens is by opening our doors to trade. My Government is pursuing this goal at all levels, at the global level through the Doha round of the World Trade Organization, at the regional level through the Free Trade Area of the Americas, and at the bilateral level with free trade agreements with individual countries like Chile and Mexico and Canada. And the United States Congress is now considering the Central American and Dominican Republic Free Trade Agreement, which offers an historic opportunity to bring prosperity to the citizens of our hemisphere who have not known it.

For the young democracies of Central America, CAFTA would bring new investment, and that means good jobs and higher labor standards for their workers. In these nations, wealthier citizens already enjoy access to goods and services produced abroad. By reducing tariffs on U.S. goods, all consumers in these countries will enjoy better goods at lower prices. These lower prices will also give Central American small businesses and farmers and entrepreneurs less costly access to U.S. machinery and equipment, which will make them more competitive and help their economies grow. By bringing economic growth to Central America, CAFTA will contribute to the rise of a vibrant middle class. And that makes us reach—a step closer to our goal, a goal of the Americas where the opportunities in San Jose, Costa Rica, are as real as they are in San Jose, California.

For U.S. farmers and businesses and workers, CAFTA would expand opportunity by creating a more level playing field for our goods and services. Under existing rules, most of Central America's exports already enter the United States duty free, but U.S. exports still face hefty tariffs. By passing CAFTA, the United States would open up a market of 44 million consumers for our farmers and small-business people. CAFTA will replace a system that is often arbitrary with one that is fair and transparent and based on common rules.

For the Western Hemisphere, CAFTA would continue to advance the stability and security that come from freedom. An Americas linked by trade is less likely to be divided by resentment and false ideologies. An Americas where all our people live in prosperity will be more peaceful. And an Americas whose countries have reduced the barriers to trade among ourselves will be a more competitive region in a global economy.

CAFTA is more than just a trade agreement; it is a signal of the U.S. commitment to democracy and prosperity for our neighbors, and I urge the United States Congress to pass it.

In the last half-century, the nations of the Americas have overcome enormous challenges, colonialism and communism and military dictatorship. At the start of this new century, these divisions have fallen away, and now we have it within our means to eliminate the scourge of poverty from our hemisphere. In this room, we still represent many different countries with different traditions and different mother tongues, but today we can say with pride that we all speak the common language of liberty. And by making the blessings of freedom real in our hemisphere, we will set a shining example for the rest of the world.

Thank you for letting me come by. *Que Dios los bendiga.* May God bless you all.

NOTE: The President spoke at 11:50 a.m. at the Greater Fort Lauderdale/Broward County Convention Center. In his remarks, he referred to Secretary of State Condoleezza Rice, who introduced the President; Secretary General Jose Miguel Insulza and Assistant Secretary General Luigi R. Einaudi of the Organization of American States; and Gov. Jeb Bush of Florida and his wife, Columba. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks at a Reception for Black Music Month
June 6, 2005

Thank you all. Welcome to the White House. Laura and I are honored to have some of the country's finest entertainers with us tonight. We're here to celebrate Black Music Month, and we thank you all for coming.

For decades, Presidents have taken pride in welcoming black musicians to play in this house, and the performers seem to enjoy this place when they come. [*Laughter*] One of the greatest black musicians to visit the White House was Dizzy Gillespie. He liked it so much here he became a write-in candidate for President in 1964. [*Laughter*] His platform included jazz in schools and Miles Davis as the head of the CIA. [*Laughter*] I'm not making that up. [*Laughter*]

Teresa, thank you very much for emceeing this event. I really thank our entertainers. You were great. Thank you for filling this house—[*applause*]. I want to thank the members of my Cabinet who have joined us. I appreciate Senator George Allen from Virginia and Congressman Bobby Scott from Virginia for joining us as well. A lot of distinguished Americans here, and we're really glad you're here. Welcome.

Each June, we honor the great contributions that black musicians have made to America and to the world. The music of African American artists has enhanced our lives and created some of the Nation's most treasured art forms, and that's why we celebrate this month. From gospel music to blues to jazz to rock and roll, the songs of America's black musicians have defined their times and have enriched our culture.

It's hard to imagine America without the genius of Louis Armstrong and Dizzy Gillespie, the voices of Lena Horne and Diana Ross and Ella Fitzgerald and so many others. We just can't envision our country without those voices. Their achievements remind us that our diversity makes our country strong.

The artists we celebrate this month use music to lift the human spirit. Black music in America began with the work songs and spirituals of people held in slavery. Their songs bore witness to cruelty and earthly injustice, and yet in them, we hear the voice of faith lifted up to God. That music could have come only from the unique experience of African Americans, yet it speaks a language that all Americans understand.

The Psalms tell us to "make a joyful noise unto the Lord." You lived up to the Psalms. [*Laughter*] Smokie, Mary Mary, and Donnie understand that part of the Gospel. [*Laughter*] These gospel artists have found a modern audience for a timeless music, and they have never forgot their purpose. Pastor Donnie likes to say, "If you ever want to get anybody in touch with God, sing to them." He has a whole congregation on Long Island saying amen when he sings, kind of like he had in the White House. [*Laughter*]

At its best, music speaks to every heart, and some moving performances by black

musicians have happened right here at the White House. You just witnessed one. In 1882, a black choir called the Fisk Jubilee Singers moved President Arthur to tears with their performance of "Safe in the Arms of Jesus." Sissieretta Jones, the daughter of a slave, sang opera here in the White House for President Benjamin Harrison. In 1939, Marian Anderson performed "Ave Maria" for Franklin Roosevelt right here in this room. President Roosevelt said that "music can make us all more vividly aware of the common humanity which is ours." Let history record, you had me jumping in my seat. [*Laughter*]

Throughout our history, African American artists have created music with the power to change hearts and reshape our national conscience. The songs of black musicians heralded social change. Music like jazz and blues communicated across racial barriers. That music began in America's country churches and urban clubs of Chicago, New Orleans, and Harlem. Today, it is cherished here at home and around the world.

And our black musicians continue to inspire us and bring us together. Across the country, American cities and towns will celebrate Black Music Month with their own festivals. We're just a small part of a larger celebration. From the Chicago Blues Festival to the B.B. King Homecoming Festival in Mississippi to the JVC Jazz Festival in New York City, people of all races and ages and creeds will come together on warm June nights to celebrate these musicians and their music.

Today, African American artists have continued to set standards of originality and creativity. The incredible talents of black musicians keep lifting their art and lifting the souls of America. We heard that talent today. We're grateful to all the black musicians who have brought such beauty and pride to our country, and we're grateful to you all.

May God bless you all.

NOTE: The President spoke at 5:37 p.m. in the East Room at the White House. In his remarks, he referred to Teresa Hairston, founder and publisher, Gospel Today; and entertainers Smokie Norful, Mary Mary, and Rev. Donnie McClurkin. The Black Music Month proclamation of June 1 is listed in Appendix D at the end of this volume.

The President's News Conference With Prime Minister Tony Blair of the United Kingdom
June 7, 2005

President Bush. Thank you all. Good afternoon. Laura and I are really honored to welcome the Prime Minister and Cherie back to the White House. Welcome, Tony, glad you're here. Congratulations on your great victory. It was a landmark victory, and I'm really thrilled to be able to work with you to spread freedom and peace over the next years.

Our alliance with Great Britain is strong, and it's essential to peace and security. Together our two nations worked to liberate Europe from fascism. Together we defended freedom during the cold war. Today, we're standing together again to fight the war on terror, to secure democracy and freedom in Iraq and Afghanistan and the broader Middle East, and to prevent the spread of weapons of mass destruction. As we face the challenges and opportunities of a new century, our alliance is stronger than ever.

Prime Minister Blair and I share a common vision of a world that is free, prosperous, and at peace. When men and women are free to choose their own

governments, to speak their minds, and to pursue a good life for their families, they build a strong, prosperous, and just society.

This is the vision chosen by Iraqis in elections in January, and the United States and Britain will stand with the Iraqi people as they continue their journey toward freedom and democracy. We'll support Iraqis as they take the lead in providing their own security. Our strategy is clear: We're training Iraqi forces so they can take the fight to the enemy, so they can defend their country. And then our troops will come home with the honor they have earned.

By spreading freedom throughout the broader Middle East, we'll end the bitterness and hatred that feed the ideology of terror. We're working together to help build the democratic institutions of a future Palestinian state. We support Israel's disengagement from Gaza and parts of the West Bank. We're advancing the vision of two states, Israel and Palestine, living side by side in peace and security.

We also share a commitment to help the people of Africa build strong democratic institutions and healthy economies. The Prime Minister has made the promotion of reform and development in Africa a center piece of the G–8 summit that the United Kingdom will be hosting next month. And I'm grateful for your vision, and I'm grateful for your leadership on this important subject.

Helping those who suffer and preventing the senseless death of millions of people in Africa is a central commitment of my administration's foreign policy. We're making historic progress in helping the poorest countries in Africa gain a fresh start and to build a future of greater opportunity and prosperity. America will continue to lead the world to meet our duty in helping the world's most vulnerable people.

Over the past 4 years, we have tripled our assistance to sub-Sahara Africa, and now America accounts for nearly a quarter of all the aid in the region. And we're committed to doing more in the future. We also agree that highly indebted developing countries that are on the path to reform should not be burdened by mountains of debt. Our countries are developing a proposal for the G–8 that will eliminate 100 percent of that debt, and that, by providing additional resources, will preserve the financial integrity of the World Bank and the African Development Bank.

As we work with African nations to develop democratic institutions and vibrant economies that will provide greater opportunity for all Africans, we must also address emergency needs. I'm pleased to announce the United States will provide approximately $674 million of additional resources to respond to humanitarian emergencies in Africa. One of those emergencies is the growing hunger crisis in the Horn of Africa. In response to this need, $414 million of those additional resources will be provided immediately to avert famine there. We urge the international community to join us in committing greater resources to the humanitarian needs in Africa.

I also look forward to working with the Prime Minister through the G–8 to forge a new strategy for the 21st century that helps countries achieve economic prosperity, energy security, and a clean environment to improve public health by cutting air—public air pollution and to address global change, subjects which I look forward to discussing at the G–8, Mr. Prime Minister. To develop and make available clean and efficient technologies that will help attain these goals has got to be part of our dialog at the G–8.

I look forward to also continuing our discussion to support freedom and democracy in the broader Middle East.

The United States congratulates the United Kingdom as it takes over the Presidency of the EU on July the first. The United States has a wide-ranging and active agenda with Europe, and we're determined

to work together to meet the global challenges common to us all. The Prime Minister and I believe a strong Europe that acts in partnership with the United States is important for world peace.

I appreciate your leadership, Tony Blair. I appreciate your friendship. I appreciate your courage, and I appreciate your vision. Welcome back to America.

Prime Minister Blair. Thank you very much, indeed, Mr. President, and I say how delighted we are to be back here in the White House and to say thank you for your warm welcome.

And we've also got a busy agenda ahead of us in the international community over the coming months. We've obviously discussed, as the President has just indicated, the issues to do with the G–8 summit. And on Africa, I think there is a real and common desire to help that troubled continent come out of the poverty and deprivation that so many millions of its people suffer. In a situation where literally thousands of children die from preventable diseases every day, it's our duty to act, and we will.

But we know that there are two things very clear about Africa today. The first is, that though it is important that we commit the resources to Africa that are necessary, it's not just about resources. It's also about debt. It's about trade. It's about making sure that we deal with these diseases, HIV/AIDS, malaria, TB, polio, that are killing so many people. It's about conflict resolution and having the proper peacekeeping and peace enforcement mechanisms.

And it's about making sure that in doing this, that it's not a something-for-nothing deal. We also need to make sure that there is a commitment on the part of the African leadership to proper governance, to action against corruption, to making sure that the aid and the resources that we're prepared to commit actually go to the people that need it and do the job that it's supposed to do.

So we are trying to create a framework in which we deal not just with one of the issues to do with Africa but all of them together and deal with it on a basis of a partnership with the African leadership that's prepared to embrace the same values of democracy and freedom that we embrace.

In respect of debt and debt cancellation, I'm pleased at the progress that we're making. And I think we are well on the way—I hope we can, if we're able to, conclude a deal at the finance ministers' meeting this weekend, but one that will involve 100 percent debt cancellation and also the commitment of the additional funding necessary to make sure that the institutions aren't penalized as a result of that. And if that substantial funding is added also to the debt cancellation, I think it will make a real difference to those African countries.

But we know there's a lot more to do. And over the coming weeks, in the run-up to the summit that will take place in Scotland, we want to carry on working on the specific programs in relation to things like education and infrastructure and dealing with the killer diseases, that allow us to make the commitment that we need.

On climate change, I think everyone knows there are different perspectives on this issue. But I also think that it's increasingly obvious, whatever perspective people have and whatever—from whatever angle they come at this issue, there is a common commitment and desire to tackle the challenges of climate change, of energy security and energy supply. And we need to make sure that we do that. And again, I hope over the coming weeks, we will work closely on this.

On the Middle East and the Middle East peace process—of course, we had a discussion about this. I would just like to emphasize again the vital necessity of making sure that democracy succeeds in Iraq. Our troops work together very, very closely there, and I would like to pay tribute not just to the bravery of the British troops that work there and other coalition troops but to the United States forces that do

such a magnificent job there and often in very, very difficult circumstances. And yet it is absolutely vital for the security, not just of that country and of that region but of the world, that we succeed in Iraq. And the reason it's tough is because people know what's at stake. And what's at stake is the ability of Iraq finally to function properly as a democracy, run for the good of its people. And our help in ensuring that Iraq can attain that goal is of vital importance, not just to our countries but to the future of the world.

In addition, of course, the progress that's being made in respect to the Middle East peace process is very welcome. Mr. President, I'd like to thank you for your leadership on that issue, which has been extremely important.

We also had an opportunity to discuss issues to do with Iran and Libya and Afghanistan and a range of different matters. But once again, let me thank you very much for inviting me here and to come back after my reelection. Thank you for the kind words about that. And I look forward to working not just on the issues to do with the G–8 but on the full range of the international agenda with you. It's a good alliance and a good partnership for our two countries, and I believe, for the wider world.

President Bush. Thank you, sir.

Prime Minister Blair. Thank you, Mr. President.

President Bush. We'll answer two questions a side. Jennifer [Jennifer Loven, Associated Press].

U.S. Aid to Africa

Q. Thank you, Mr. President. Prime Minister Blair has been pushing for wealthy nations to double aid to Africa. With American aid levels among the lowest in the G–8 as per portion of national income and the problems on the continent so dire, why isn't doubling U.S. aid a good idea?

President Bush. Well, first, as I said in my statement, we've tripled aid to Africa. Africa is an important part of my foreign policy. I remember when I first talked to Condi when I was trying to convince her to become the National Security Adviser, she said, "Are you going to pay attention to the continent of Africa?" I said, "You bet." And I've fulfilled that commitment. We've convinced Congress to triple aid. We've got a significant HIV/AIDS initiative that we're undertaking. We started what's called the Millennium Challenge Account, and we'll do more down the road.

Now, in terms of whether or not the formula that you commented upon are the right way to analyze the United States commitment to her, I don't think it is. I mean, I don't think—there's a lot of things that aren't counted in our desire to spread compassion. But our country is—has taken the lead in Africa, and we'll stay there. It's the right thing to do. It's important to help Africa get on her feet.

And by the way, I think one of things that many African nations have come to discover is that through trade they can develop a more hopeful society rather than through aid. I mean, aid helps, but we passed what's called AGOA, the African Growth and Opportunity Act, and have extended it. It passed during President Clinton's period. My administration extended it, with Congress, and it's made an enormous difference to young economies. When you open up your market to entrepreneurs and small businesses, it helps spread wealth. And that's, after all, what we're trying to achieve.

So I'm proud of our accomplishments, and we'll continue to take the lead on the issue.

Prime Minister Blair. Okay—Andy [Andrew Marr, BBC].

President Bush. Andy is still with you.

Prime Minister Blair. He is.

Debt Relief/Reciprocation of African Nations

Q. For a brief period, Mr. President. I'm from BBC. Could I ask both leaders—I

understand from what you say that you're pretty close to cracking the differences between you about how to pay for debt cancellation for the poorest countries. Is that the case, and can you tell us any more about that?

And also, if I may, to the President, Mr. Blair's Africa Commission has really raised the ante quite a lot in Africa, talking about this big historic moment for the world and the continent. Do you see it that way too?

President Bush. I do. That's why we tripled aid. I see we have got a fantastic opportunity, presuming that the countries in Africa make the right decisions. Nobody wants to give money to a country that's corrupt, where leaders take money and put it in their pocket. No developed nation is going to want to support a government that doesn't take an interest in her people, that doesn't focus on education and health care. We're really not interested in supporting a government that doesn't have open economies and open markets. We expect there to be a reciprocation. That's what the Prime Minister talked about.

But absolutely, it's a great opportunity. And I'm honored to be working with the Prime Minister on this important subject.

Prime Minister Blair. I think in relation to the debt cancellation, yes, I think we're well on the way to agreement on that. But it's important to realize we need, obviously, America and the UK to be in agreement, but then we need to get the agreement of the others. So we've got to watch how we manage that process and bring everyone into it.

But yes, I think there is a real desire to make sure that we cancel the debt and cancel the debt in such a way that it doesn't inhibit or disadvantage the international institutions.

I think, in relation to Africa more generally, it's important—in respect to the Africa Commission report—we set out a figure of the doubling of aid, and $25 billion extra is effectively what that would mean. But the important thing is not to take the figure out of the air but to realize the Commission for Africa reached that figure on the basis of an analysis of what Africa needs. And I think that this is what we can do over the coming weeks.

In relation to specific areas where we accept there is a real need and we can act and we can act in a way, what is more, that is not going to waste the money given but is going to put it to the use to which it's supposed to be put—on education, on malaria, on HIV/AIDS, on things like water sanitation, on the peacekeeping, peace enforcement aspect of conflict resolution in Africa—we have got the chance over the next period of time to make a definitive commitment, but it is a two-way commitment. We require the African leadership—this is what the President is saying—we require the African leadership also to be prepared to make the commitment on governance, against corruption, in favor of democracy, in favor of the rule of law.

Now, there are African nations that are prepared to make that commitment today. They're going to get help. What we're not going to do is waste our countries' money. So that is the nature of what we are trying to put together. Obviously, there's going to be a lot of discussions over the next few weeks to—because it's at Gleneagles that we will get the final package there. But I'm hopeful after the discussions that we've had today that we can get there.

President Bush. Steve [Steve Holland, Reuters].

Downing Street Memo

Q. Thank you, sir. On Iraq, the so-called Downing Street memo from July 2002 says intelligence and facts were being fixed around the policy of removing Saddam through military action. Is this an accurate reflection of what happened? Could both of you respond?

Prime Minister Blair. Well, I can respond to that very easily. No, the facts were not being fixed in any shape or form at all,

and let me remind you that that memorandum was written before we then went to the United Nations. Now, no one knows more intimately the discussions that we were conducting as two countries at the time than me. And the fact is, we decided to go to the United Nations and went through that process, which resulted in the November 2002 United Nations resolution, to give a final chance to Saddam Hussein to comply with international law. He didn't do so. And that was the reason why we had to take military action.

But all the way through that period of time, we were trying to look for a way of managing to resolve this without conflict. As it happened, we weren't able to do that because, as I think was very clear, there was no way that Saddam Hussein was ever going to change the way that he worked or the way that he acted.

President Bush. Well, I—you know, I read kind of the characterizations of the memo, particularly when they dropped it out in the middle of his race. I'm not sure who "they dropped it out" is, but—I'm not suggesting that you all dropped it out there. [*Laughter*] And somebody said, "Well, you know, we had made up our mind to go to use military force to deal with Saddam." There's nothing farther from the truth.

My conversation with the Prime Minister was, "How could we do this peacefully? What could we do?" And this meeting, evidently, that took place in London happened before we even went to the United Nations—or I went to the United Nations. And so it's—look, both us of didn't want to use our military. Nobody wants to commit military into combat. It's the last option. The consequences of committing the military are very difficult. The hardest things I do as the President is to try to comfort families who've lost a loved one in combat. It's the last option that the President must have, and it's the last option I know my friend had as well.

And so we worked hard to see if we could figure out how to do this peacefully, take a—put a united front up to Saddam Hussein, and say, "The world speaks," and he ignored the world. Remember, 1441 passed the Security Council unanimously. He made the decision. And the world is better off without Saddam Hussein in power.

Prime Minister Blair. Nick.

Eradication of Poverty in Africa/Climate Change

Q. Nick Robinson, ITV News. You've talked of what you've hoped to do for Africa. Do you regard the phrase "make poverty history" as rhetoric from rock stars? Or do you really believe in your gut that this the year it could happen?

And Mr. President, if I may as well on climate change—you didn't talk about climate change—do you believe that climate change is manmade and that you, personally, as the leader of the richest country in the world, have a responsibility to reverse that change?

President Bush. Let me address your first question. Talk about—you said I'm willing to talk about what we're going to do. I want you to focus on what we have done, for starters. I mean, part of the—part of this world, we've got a lot of big talkers. What I like to say is, my administration actually does what we say we're going to do, and we have. When I say we're going to make a commitment to triple aid in Africa, I meant it, and we did. When I said we're going to lead an initiative, an HIV/AIDS initiative, the likes of which the world has never seen before on the continent of Africa, we have done that, and we're following through. And so when I say we're going to do more, I think you can take that to the bank, as we say, because of what we have done. We have taken a leadership role.

Second question—do I believe in my gut we can eradicate poverty? I do believe we can eradicate poverty. And by the way, Bono has come to see me. I admire him. He is a man of depth and a great heart

who cares deeply about the impoverished folks on the continent of Africa, and I admire his leadership on the issue. And so I do believe—I don't view—I can't remember how you characterized the rock stars, but I don't characterize them that way, having met the man.

In terms of climate change, I've always said it's a serious, long-term issue that needs to be dealt with. And my administration isn't waiting around to deal with the issue. We're acting. I don't know if you're aware of this, but we lead the world when it comes to dollars spent, millions of dollars spent on research about climate change. We want to know more about it. It's easier to solve a problem when you know a lot about it. And if you look at the statistics, you'll find the United States has taken the lead on this research.

Secondly, we're spending a lot of money on developing ways to diversify away from a hydrocarbon society. America must do that for national security reasons and economic security reasons. And that's why I laid out the Hydrogen Fuel Cell Initiative, with the understanding that our country is going to have to diversify away from the type of automobiles we drive.

And it's beginning to happen here. We'll have more fuel cells—cars driven by fuel cells on the road next year than we had the past year, and more after that. We're beginning to change. Technology is changing how we can approach energy, and the technology—mating technology and energy independence from hydrocarbon also will produce a cleaner environment.

We're spending a lot of money on clean coal technology. That's going to be very important for a country like ours and a country like China. And one of the issues we've got to deal—figure out how to deal with is how we share that technology with developing nations. You cannot leave developing nations out of the mix if you expect to have a cleaner world.

I strongly believe that the world needs to share technologies on nuclear power. I don't see how you can be—diversify away from hydrocarbons unless you use clean nuke. And so we need to work together on developing technologies that will not only ensure people that nuclear power will be safe but that we can dispose of it in a safe way.

I'll tell you an interesting opportunity for not only here but for the rest of the world is biodiesel. That is a fuel developed from soybeans. I kind of, in jest, like to travel our country, saying, "Wouldn't it be wonderful if someday the President sat down and looked at the crop report, and said, 'Man, we've got a lot of soybeans. It means we're less dependent on foreign sources of energy.' " We're spending money to figure out how best to refine soy into diesel.

See, there's a lot of things we're doing in America, and I believe that not only can we solve greenhouse gas, I believe we will. And I appreciate the Prime Minister bringing this issue up. I look forward to sharing that which we know here in America with not only the G–8 members but, equally importantly, with developing countries. And not only that, I'm convinced that we can use technology to help keep the air cleaner and the water purer and develop economies around the world at the same time. That's going to be one of the great advances in technology in the coming years.

Thank you for your question. Good to see you all.

NOTE: The President's news conference began at 4:46 p.m. in the East Room at the White House. In his remarks, he referred to Cherie Booth Blair, wife of Prime Minister Blair; former President Saddam Hussein of Iraq; and musician and activist Bono.

Remarks Following Discussions With Prime Minister Recep Tayyip Erdogan of Turkey
June 8, 2005

President Bush. Mr. Prime Minister, welcome to the Oval Office. We've had an extensive visit about a lot of issues, and the reason why is because Turkey and the United States has an important strategic relationship. I told the Prime Minister how grateful I was that he was a—is a strong supporter of the broader Middle Eastern initiative. Turkey's democracy is an important example for the people in the broader Middle East, and I want to thank you for your leadership.

Along these lines, I thanked the Prime Minister for Turkey's leadership role in Afghanistan. I was most impressed by his report from his trip to Afghanistan and his deep concern for the conditions of the people there and his desire to work with the United States and NATO countries to help improve the lives of the children, for example, in Afghanistan.

We discussed—a lot of foreign policy and shared interests between our countries. And one of the most important foreign policy initiatives of my administration—and I know the Prime Minister shares the same desire—is to work with the Palestinians so they can have their own state, their own democracy, living side by side in peace with Israel.

And finally, we discussed the domestic issues. We discussed our economies, and the Prime Minister reminded me that the—in his judgment, Turkey is a good place for U.S. investment. I listened very carefully to what he had to say, but we spent—all in all, it was a very rich and important discussion.

Mr. Prime Minister, thank you for coming.

Prime Minister Erdogan. Thank you, Mr. President. In our meeting with the President, we discussed and evaluated the political partnership that we have with the United States, and we looked into the future with regard to our relations. I can summarize the main titles of our discussion as freedom, democracy, rule of law, fight against terrorism, security, and human rights.

We also had an opportunity to talk about the broader Middle East initiative, with regard to regional developments. We also discussed the Cyprus issue. And we were able to discuss with some depth the issues with regard to Israel, Palestine, the situation in Iraq, Afghanistan.

We discussed and I'm confident that we will continue to have the same kind of solidarity we've had in Turkish-U.S. relations in the past, in the future as well.

I also mentioned to the President that Turkey is open to any new investment as a country now of stability and security. And we were very happy to see that the President agreed that he had a positive view on investments.

And we're happy that we were able to confirm that our strategic relationship will move and will take place in the future, as it has been done in the past.

Thank you.

President Bush. Thank you, sir. Thank you.

NOTE: The President spoke at 11:25 a.m. in the Oval Office at the White House. Prime Minister Erdogan spoke in Turkish, and his remarks were translated by an interpreter.

Remarks at the Associated Builders and Contractors National Legislative Conference
June 8, 2005

Thank you all. Please be seated. Thanks for coming. Thanks for the warm welcome. Thanks for the kind introduction, Gary; it's good to keep it in the old Texas family. [*Laughter*] All you other Texans who are here, make sure you behave yourself. [*Laughter*]

But I'm really honored to be here. I appreciate ABC; I appreciate your leadership. I appreciate the entrepreneurial spirit. I appreciate the fact that you're hiring people and making your communities better in which you live. I want to thank Carole Bionda and Kirk Pickerel and the board of directors for having me here.

You made a mistake, you should have invited Laura—[*laughter*]—to be your speaker, if you were looking for the A-team in our family. She's become quite the comedienne. [*Laughter*] I'm pleased to report, though, that she's doing great. I'm a lucky man when she said yes when I asked her to marry me. And I think the country is lucky to have her as the First Lady.

You know, I came to Washington to get some things done. This isn't my permanent home. I'm going to give it my all, put my energy into the job, and pour my soul into my work, and when time is up, I'm going to head back home. But I want it to be said that my administration came to Washington, DC, to solve problems. And when we had a problem that we square—that we dealt with it squarely. And we did it based upon principle. And we've been presented with some problems in this administration. One of them was a recession, because of an enemy attack and the down cycle in the economy. We had to deal with the recession.

And at the heart of my decisionmaking was my understanding that most new jobs in America are created by small businesses, and therefore, any relief, any decisions as to how to deal with the recession had to be good policy for small businesses. And the tax relief we passed made a difference for our small businesses here in America.

And the economic policy is working. I mean, after all, more people work in America today than ever before in our Nation's history. The unemployment rate is down to 5.1 percent. Small businesses are flourishing. The entrepreneurial spirit is strong. But there's more work to be done; there's more work to be done.

One of the main jobs we have here in Washington is to protect our country. You see, not only did the attacks help accelerate a recession; the attacks reminded us that we are at war. It's a different kind of war. It's a war that has taken the country a while to adjust to, because we're not facing nation states; we're facing terrorist organizations that know no border, terrorist organizations that know no conduct the way civilized nations know it when it comes to fighting war. They'll kill innocent people like that in order to justify a hateful ideology, which means that we've got to do a couple of things here out of Washington.

One, we've got to do everything we can to protect the homeland, and we are. We're doing a better job of collecting and analyzing intelligence and sharing intelligence. Tomorrow I'm going to go to Columbus, Ohio, to talk about the renewal of the PATRIOT Act, which is an important piece of legislation that on the one hand guarantees the civil liberties of the American people, but on the other hand, gives our terror fighters the same tools that we use to deal with drug lords or white-collar criminals. We're making progress about making sure Federal agencies do a better job of communicating.

The best way to defend the homeland, though, is to stay on the offense, is to find these people, is to defeat them abroad so we don't have to face them at home. And that's exactly what the United States of America is doing. And for those of you who have got a loved one in the United States military, I want to say two things to you: One, we'll make sure your loved one has whatever is necessary to protect America; and secondly, thank you for their sacrifice.

And the second way to defeat the terrorists is to spread freedom. You see, the best way to defeat a society that is—doesn't have hope, a society where people become so angry they're willing to become suiciders, is to spread freedom, is to spread democracy. You know, during the course of the last campaign, I used to tell people about the power of liberty to transform societies. And what I meant by that was that one of my close associates in world politics is Prime Minister Koizumi of Japan. He's a buddy. He's a friend. He's the kind of guy you can sit down at the table and say, "What are we going to do together to help keep the peace," how best to deal with the—with Kim Chong-il in North Korea, for example. We strategize, all aimed at making the world a more peaceful place.

But it wasn't all that long ago that an 18-year-old Navy pilot named George H.W. Bush—and I'm confident some of your relatives—were at war with Japan. When you really think about it, 60 years isn't all that long ago, is it? And yet today, the enemy has become a friend. And the reason why that enemy is a friend is because of freedom and democracy. Democracy has got the capacity to change the world.

I believe everybody wants to be free. I believe mothers all across the world, regardless of their religion or where they live, want to bring up their children in a free society. I believe that is a universal drive and a universal desire. And it has been proven that democracies are peaceful. The best way to defeat terrorism in the long run and the best way to leave behind a foundation for peace for a generation of Americans coming up is to spread freedom and democracy around the world. And freedom is on the march.

For the youngsters here today, I want you to pay attention to what's in the news. You're living in a remarkable period. Just think about what has happened in a quick period of time. Millions voted in Afghanistan. Millions defied the suiciders in Iraq to vote. People turned out in the town squares across Lebanon demanding freedom. In the Ukraine there was a freedom revolution. People in the world want to be free, and the United States of America will promote democracy and promote freedom movements for the sake of peace and stability.

So while we'll continue to work to do our duty to secure you, we got to do work here at home to keep this economy growing, and here's some practical ways to do that. First, I understand that health care is an issue for small businesses. See, if most new jobs are created by small businesses, it makes sense to have good economic policies that help small businesses. And so therefore, one of the things we've got to do is to be wise about how we help small businesses deal with insurance, health insurance.

One thing is for certain, to deal with health insurance—is we need to pass medical liability reform. One reason your premiums are high is because of the junk and frivolous lawsuits that are running good doctors out of practice and running up the cost of medicine. When I first came to Washington, I wasn't so sure this was a Federal issue. You know, being the former Governor of a State, I kind of felt like States could take care of medical liability issues. But you see, all these lawsuits cause docs to practice what they call defensive medicine. They practice more medicine than necessary just in case they get sued. And all these lawsuits are running up the cost of medicine because premiums go up,

that they pass on to the billpayer. Well, it just so happened the Federal Government pays a lot of medical bills. See, we're paying Medicare and Medicaid and veterans benefits. It is estimated that these junk lawsuits are costing taxpayers about $27 billion a year.

And so I decided, well, maybe this wasn't a State issue. Maybe this was a Federal issue since it's affecting our Federal budget so much, and it's a Federal issue that requires a Federal response. And so I put a good bill out. The House passed it. It's stuck in the United States Senate. For the sake of affordable health care, the Senate needs to get a good medical liability bill out of that—[*applause*].

A couple of other practical ideas that small businesses need to look at and that Congress needs to act upon, one of them is health savings accounts. I urge you to take a good look at HSAs as a good way to help deal with the rising cost of health care and, at the same time, make sure your employees have got coverage. Take a look at it.

A second plan that makes sense is to allow small businesses to pool risk across jurisdictional boundaries—what's called association health care plans. It means that if you're a small business in Texas and you're a small business in New Jersey, that you can be in the same risk pool if you share the same type of industry—restauranteur, for example, in Maine and a restauranteur in Florida can be in the same risk pool. Obviously, the more people in the pool, the more you spread risk, the lower the cost. The way I like to put it is this: Congress ought to allow small businesses to join together so they can buy insurance at the same discount that big businesses get to do, for the sake of health care for small businesses and their employees.

One way to make sure this economy continues to grow is to show the markets and the people that we're wise about how we spend your money. I sent some budgets up to Congress that are lean, that said, "Well, let's—why don't we set priorities and also ask the question of, you know, some of these programs we're funding, are they working? And if they're not working, let's stop funding them," kind of a results-oriented system. I'm pleased to report both the House and the Senate passed my budget, which by the way, will mean that we can cut the deficit in half in a 5-year period of time without raising your taxes.

Speaking about taxes, if we want this economy to continue to grow, we got to keep them low. The Congress ought to make the tax relief we passed permanent. Part of that tax relief was a provision I know you might be interested in. You see, I believe a person ought to be allowed to pass their assets on to whomever they want without the Government taxing them twice, once while you're alive and right after you die. We put the death tax on the way to extinction, except unfortunately, the law says that in 2011, it's going to come back to life again. That's not fair, and it's not right. The Congress needs to make sure that death tax is gone forever, for the sake of small businesses.

I'm going to make two other points about how to make sure this economy grows. One of them is going to be—I'm going to talk about Social Security. I think that's an economic issue. It's a funding issue. It's an issue that says we got a lot of debt that we owe people, and the fundamental question is how are we going to pay for it.

The other issue, before I get there, is energy. You know, when I first came to Washington, I recognized that we were—our dependency upon foreign sources of oil was going to be a problem for us. You see, if you're depending upon somebody else to provide energy, at some point in time, it becomes an issue, either an economic issue or a national security issue or both. And so I put a strategy up to the United States Congress, said, "Look, why don't we do something smart. Why don't we put an energy strategy into law that

will accomplish some important goals." They've been debating this energy strategy for 4 years. And so I'm here to describe to you our strategy and, at the same time, remind the United States Congress that for the sake of economic security and national security, they need to get an energy bill to my desk by August of this year.

American families and small businesses are paying higher gasoline bills, which is like a tax. And I understand that this has—that this tax has a drag on our economy. It's money that's going out of your coffers that could be otherwise used to pay a laborer or pay for health care. And the reason why your gasoline bills are going up is because we are dependent on foreign sources of energy. We import over 60 percent of the crude oil, which is the major stock for gasoline, from overseas—or about 60 percent. That's a lot. And therefore, when global demand is such and price goes up, we pay for it at the pump.

And so I said to Congress, "We need to diversify away from a hydrocarbon society. Now, that's going to take awhile, but we need to lay the groundwork to do so." And what does that mean? It means we've got to be better conservers of energy. We've got to have an incentive for people to conserve more. We can do a better job of being wise about how we use our resources.

Secondly, we need to spend money on research and development to figure out how to use soybeans, for example, to develop fuel. Now, I went to a plant the other day in Virginia, a small soybean refinery, where they're making soy diesel—diesel fuel out of soybeans, called biodiesel. The more diesel engines there are that can use soybean fuel, the less dependent we are on foreign sources of energy. It makes sense to explore ways to make sure that we can use corn or soybeans to diversify away from oil that come from a foreign country.

We're spending money on clean coal technology. Do you realize we've got 250 million years [250 years] * of coal? But coal has got environmental hazards to it, but there's—I'm convinced, and I know that we—technology can be developed so we can have zero-emissions coal-fired electricity plants.

We ought to be using nuclear power. It's a renewable source of energy. I know that technology has changed, where I could say to the American people, "Nuclear power is a lot safer than it ever has been in the past." These are all parts of this energy bill that Congress needs to pass to encourage renewable sources of energy, different sources of energy, clean sources of energy that will enable us to be less dependent on foreign sources of energy.

We need to be, by the way, exploring for oil and gas in our own hemisphere in environmentally friendly ways. You know, a hot issue here is ANWR, the big tract of land in Alaska. It's millions and millions and millions of acres. And yet because of the advance of technology, we can find oil and gas on those millions of acres in a tract of land about 2,000 acres in size. It's an amazing technological advance. But we ought to be using this technology to make us less dependent on foreign sources of energy.

There's a lot of things we need to be doing and are doing. I don't know if you remember, but I put out a new initiative for exploring the possibility of using hydrogen to power automobiles. See, I believe in 10-years' time, with the wise use of taxpayers' money, a new generation of Americans will be driving automobiles driven by hydrogen, not by oil and gas.

Congress needs to stop debating this issue and stop playing politics and get this bill at my desk so I can say to the American people, this country has got a strategy which may not pay off yesterday but will pay off tomorrow for the American people.

There's one other issue I want to talk about; that's Social Security. First, Social

* White House correction.

Security worked great for a lot of folks for a long period of time. My predecessor, Franklin D. Roosevelt, did a smart thing in setting up the Social Security system. Social Security provided a safety net for a lot of seniors, and it was an important safety net. So you know, I'm traveling—or you may not know; I'll tell you now; you will know—[*laughter*]—I'm traveling a lot talking about Social Security. I'm meeting people that say, "I'm dependent upon my Social Security check." I'm confident you know folks that say, "I need my check. It's a part of my life."

And so the system has worked fine for a lot of folks. As a matter of fact, it's going to work fine for everybody born prior to 1950. So if you're a senior getting your Social Security check out there, you have nothing to worry about. The system is solvent for you. You're in good shape. I don't care what the politicians say. I don't care what the ads say, the pamphlets say. Don't let them scare you. You're going to get your check, and that's important for people to understand.

But if you're a younger citizen, you'd better be paying attention to this issue. And here's the reason why—here's the reason why. There's a lot of people like me—we're called the baby boomers—who are getting ready to retire. See, my retirement date is 2008. [*Laughter*] I'm turning 62 years old on 2008. [*Laughter*] It's a convenient time. [*Laughter*] And I'm just the beginning of the baby boomers. See, I was born in 1946; we're called the leading edge of the baby boomers. And there's a lot of others behind me.

Do you realize that there's about 40 million Americans retired today. By the time the baby boomer generation fully retires, there will be 72 million Americans, more or less. There is a lot of us. We're living longer than the previous generation. You know, we're living longer, I hope, than any other generation. I'm pulling for that part of my generation. [*Laughter*] And a lot of politicians have run prior—in prior years, and said, "Vote for me; I'll increase the benefits for a generation coming up." And you know what? They did. And so therefore, my generation, our generation, which will be living longer—and more of us—have been promised greater benefits, which is okay until you realize this aspect of the problem: Fewer people are now paying into the system.

In 1950, there was about 15 workers per every retiree. In other words, the load was pretty well spread across a group of people paying payroll taxes. Today, there's 3.3 workers per retiree. Soon there's going to be two workers per retiree, trying to take care of a generation which is going to be living longer with greater benefits and a lot of us. So that's the problem. That's the math. That's the beginning of your understanding—or the country's understanding of why we have a problem.

Let me put it in terms of dollars for you. In 2017, the system goes into the red. In other words, more benefits going out than payroll taxes coming in. In about 2027, it's about $200 billion short. In other words, every year from 2017, the red—the deficit gets larger and larger and larger. In 2027, it's 200 billion. In the 2030's, it's about 300 billion. In 2041, the system is bust.

Now, think about that for a minute. We're fine, by the way, those of us born before 1950. All seniors who are getting their check, you're in good shape. But you need to start asking people who have been elected to office what we intend to do about this problem for your children and grandchildren, because we're asking young Americans to come up in a system and pay a pretty sizeable payroll tax into a system where those of us in Washington who look at the facts understand it's going broke. That doesn't seem to make sense to me. That doesn't seem like good stewardship of the people's money, nor does it seem like good leadership. See, my job as the President of the United States is to confront a problem if I see one and

not pass it on to future Presidents and future Congresses.

I see a problem. I've just defined it to you, and it's clear. This is a—these are solid numbers that I'm talking about. You can't—people in Washington can't say, "Baby boomers aren't getting ready to retire." And there's a lot of us who have been promised more benefits, and we're living longer. That's a fact. And it's a fact that fewer people are paying into the system. And it's a fact this system is going bankrupt. I'm—and so I'm going to keep talking about it.

My strategy is pretty simple: Explain the problem to the American people and keep explaining it and explaining it and explaining it and assuring seniors that you're going to get your check. And then at some point, the people of this country are going to say to Republicans and Democrats alike, "Why aren't you doing something about the problem? I'm beginning to understand the problem as a citizen, now how come you, as an elected official, aren't doing something about it?" And we're making progress. People understand there's a problem.

I remember early on after I got elected, I told Members of Congress, I said, "I'm going to take this issue on." Frankly, there wasn't all that much applause when I said it. [*Laughter*] Some folks up here would rather take the easy path and do nothing. See, it's the easy path to say, "Well, we'll just let somebody else take care of it. Vote for me." But that's not—to me, that's not how you define leadership. That's not what the people expect. The people expect us, regardless of our political party, to come up here and solve problems. And we've got some Republicans talking about the issue, which is good. And we've got some Democrats talking about it. And my attitude toward them is, bring your ideas forward. I'm interested in building a consensus so that we can say we have done our duty for a younger generation of Americans coming up.

Here are some principles by which I am conducting discussions. One, the reform system must say to future generations, "You'll get benefits equal to or greater than the current generation." I think that's a wise principle to be able to say to somebody putting money into the system—remember, you've got these youngsters now putting money into the system to pay for us, and they're wondering where the system is going to be for them. And the answer is, a reform system for people coming up ought to be, "You ought to get benefits equal to or greater than the current benefit structure."

Secondly, I think this principle is very important. And that is, if you've worked all your life, you've worked hard at a job, and you've contributed into Social Security, you shouldn't retire into poverty. I mean, the safety net is more than just providing a check. The safety net is to provide, you know, peace of mind in retirement. So I like the idea of sending this principle to Congress. You can work hard, but you're not going to retire into poverty.

And there's a way to make the system do that, and here it is. It's called progressive indexing, an idea that I embraced in a press conference the other day, in the East Room of the White House. And it said this—it says—by the way, right now, benefits increase—they're all increasing, but for everybody, they increase at the rate of wage increases, not price increases. Wages go up faster than price. And so the benefits are going up faster than the cost of living.

And so what I think Congress ought to consider doing is saying that for the poorest of Americans, "Your benefits, future benefits will go up based upon wage increases," and for the wealthier of Americans, "Your benefits go up based upon price increases." You know, it's everybody's benefits—calculated benefits for the future. Again, we're talking about a younger generation of Americans coming. Those of us born in 1950—prior to 1950, nothing changes. It's

really important for Americans to understand that. It's for the new generation coming up, as we calculate a reformed plan that permanently fixes Social Security.

One idea is to say, for the poor Americans, "Your benefits—calculated benefits over time go up with the rate of wage increases." For wealthy Americans, "It goes up at the rate of inflation, cost of living." And in between, there's a scale. Now, that's a system where we can say, "Poor Americans won't retire into poverty." But interestingly enough, if that were to be passed by Congress, that alone would permanently fix a majority, a significant portion of the Social Security problem. Isn't that interesting? Just that alone, just that change alone would go a long way, a significant way for doing our duty to permanently fix the Social Security problem for a younger generation of Americans.

And I've got one other idea that Congress needs to understand. And by the way, under this system, 99 percent of Americans would—1 percent of Americans would have the same purchasing power they have today; 99 percent would have greater purchasing power under this kind of system.

Today, the average American worker gets $14,800 a year in benefits from Social Security. Under the plan I just described, that would grow in real terms to $17,750 by 2055. And yet the system would be—most of the system would be permanently solved, most of the problem would be permanently solved.

You know, a lot of folks, youngsters tell me that—let me say this, I have been told about a survey of youngsters who have said they're more likely to see a UFO than get a Social Security check. [*Laughter*] If this idea that says, "If you're wealthier—top 1 percent of the country—your benefits, future benefits grow by cost of living. If you're poor, they grow by wage and, in between, is scaled up." And if you don't think you're going to see anything, it seems like to me, this makes sense for you if you're a younger worker getting ready to put something in the system.

Now, there's a way to make the whole system permanent. There's other ideas, and I'll work with anybody who has got a good idea. But my job is not to shirk the problem. It's to deal with the problem head on and to bring solutions to the table, and here's a good idea called progressive indexing.

I want to talk about another idea that Congress needs to seriously consider. As we permanently fix the system, we ought to make the system a better deal for younger workers as well. You see, here's the issue with—another issue with Social Security, it's called a pay-as-you-go system. You pay your payroll tax, and we go ahead and spend it. [*Laughter*] You see, some people think that the Social Security system is a system where you pay in your Social Security tax, and we hold it for you, and then when you retire, we give it back to you. That's not the way it works.

The way it works is this: You pay your payroll tax; we pay out to current retirees; and then we spend your money on other Government programs. That's the way it works. And that's been going on for quite awhile. I happen to believe there's a better way to do this than to say there's a Social Security system where we're guarding your money and not spending it on other programs.

And here it is: I think the best way to make sure that people have got real assets in the Social Security system, not just IOUs in a file cabinet, is to let younger workers take some of their own money, if they so choose, a voluntary program, and set up a personal savings account. In other words, the proposal I made to Congress says you can take a third of your payroll tax and set it aside as part of your Social Security retirement system.

And here's why I believe that it makes a lot of sense. First, I like the idea of people owning their own assets in America. I like the idea of people having ownership

in something. And I also understand the power of compound interest. In other words, when you set aside money, it grows. It compounds over time. That's how money works. Right now in the Social Security system, we get about 1.8 percent on your money for you, which is really low. [*Laughter*] A conservative mix of bonds and stocks is expected to pay about 4.6 percent annually over time. It's been the historical average. Some of you do a heck of a lot better than that. I was campaigning with—on this issue with Senator McCain, and he thought out loud that he had made about 7 percent on his own personal savings account, conservative mix.

In other words, you can do pretty well with a conservative mix of bonds and stocks. Heck, you can put your money in T-bills alone and do better than the 1.8 percent we get you. And over time, that money grows. The difference between what we can get on your money and what you can get in your own personal savings account, if you decide to set one up, is pretty darn significant.

Let me give you an example. Say you've got children that are coming up, and they get married and enter the workforce in 2011. One is a nurse, say, and one is a police officer. Given the salary scales today and given what a 4.6 percent growth rate would mean on money set aside in a personal account, by the time that those folks retire at age 65, they would have a nest egg of $669,000, plus whatever is left for them in the Social Security system. See, it's their money. That's how money grows. That's what interest does. When you start setting aside money at age 20 years old and it's earning nearly 5 percent, it grows. It tends to accelerate growth the older you get, by the way. A lot of you know what I'm talking about.

It seems like to me that that makes sense to let younger workers take advantage of the compound rate of interest. It makes sense to give people a better rate of return on their own money. After all, when we're talking about payroll taxes, we're not talking about the Government's money. That's your money. It's the money that you put into the Treasury.

The money in the personal accounts, if you—the Government says you can do it, and if you decide to do it—remember, this is voluntary. This isn't to say—the Government is saying, "You must do this." See, some people won't be comfortable about putting money aside in a voluntary personal account, and you won't have to. There will be a Social Security—reformed Social Security system available for you. This just says you can put some of it, if you so choose to do so.

If you decide to do so—let me just give you a comparison between the couple I just mentioned to you of today's system and the future system. The couple would receive $42,000 a year in Social Security benefits. In a reformed system, the total amount of income from both the personal accounts and the Social Security check would grow to nearly 54,000 in today's dollars. See, that's what—when you get your money to grow in an asset base you call your own, it means you have more money to retire with. And that's what we're trying to make sure is available for all folks.

Let me tell you something else wrong with the current Social Security system. If you both work in your family, husband and wife work, and one of you dies before 62 years old, the Social Security system will pay for your burial benefit. And then upon retirement, the surviving spouse gets a choice between the deceased's benefit structure or the survivor's benefit structure from Social Security, but not both.

See, in other words, the system today says, "You get to work all your life, and if you die early, the money you put in the system just goes away." I don't think that's fair. I don't think it's fair to say to a citizen in this country who has been working hard to make a living that the money you've earned through the payroll taxes isn't around anymore if you go on.

Your spouse gets the greater of your benefits or her benefits, but not both.

So think about what a personal account would mean: A voluntary personal savings account would mean that there would be an asset base from both the husband and wife. And if one of them unfortunately died early, that asset base, that group of assets that had grown over time, could be passed on to the husband or wife, whoever the spouse is, the surviving spouse. That's fair. That makes sense. It means the money that you have worked for just won't go away. It will be available to help in times of need.

Now, people say to me, "Well, you know, this is going to be hard to figure out how to invest." I said, "It may be," except I want you to all to remember, particularly you older folks here, like me, they've got 401(k)s in society today. I don't remember talking about 401(k)s when I was growing up, or IRAs, but there's a whole investor society.

One of the most amazing events came when I was in Mississippi at an automobile manufacturing plant. And I said, "How many of you all have got 401(k)s?" This was quite a diverse audience, people from all walks of life, mainly line workers. I'll bet you 95 percent of the hands went up. You know, this isn't what you call the typical investor class. These are people working hard to put food on the table. And you know what? They're managing their own money. They're watching their own asset base grow with time. That's healthy for our country, saying to somebody, "You can grow assets, and you can pass your assets on to whomever you want," is good for America. The more people who own something in this country, the better off our country is. The more people from all walks of life have got an asset to pass on to their loved one, the better off America is.

I like the idea of saying, you can take some of your own money, if you so choose, and set up a personal savings account as a part of your retirement plan. You know who else liked it? Members of the United States Congress. [*Laughter*] They've got what they call the Thrift Savings Plan here in America. It's a plan that says, "It's okay if you're a Member of the United States Senate to take some of your own money and set it aside and watch your money grow at a better rate of return than Government would get for you." It's called a Thrift Savings Plan. And here's my attitude: If a Thrift Savings Plan, if a personal savings account is good enough for a Member of the United States Senate, it is good enough for working people all across America.

Now is the time for Congress to come to the table and get something done. It's important, because we've got unfunded liabilities out there that can serve as a drag on our economy. And we've got a young generation of Americans coming up that are going to be contributing to a system that's broke. And that's not fair. I believe those of us who've been elected have got a solemn obligation to tackle tough problems. I know that's what the American people expect.

I'm confident we can get something done; I really am. I don't care what all the naysayers say or the people that are so political they can't—they can't get out of their current mindset here in Washington. See, I believe when it's all said and done, the American people are going to start speaking. And louder and louder, they're going to say, "We got the problem with Social Security folks. Now we expect you in Washington to do something about it." And I'm ready to take the lead on it and continue to take the lead on it. There's no doubt in my mind I'm doing the right thing addressing this issue. And there's no doubt in my mind when Republicans and Democrats come together to solve this problem, a lot of good people are going to be saying, "You know what, I've done my duty for the American people."

Thanks for letting me come by to say hello. God bless.

NOTE: The President spoke at 1:19 p.m. at the Capital Hilton hotel. In his remarks, he referred to Gary Roden, 2005 national chairman, Carole Bionda, 2005 immediate past chair, and Kirk Pickerel, president and chief executive officer, Associated Builders and Contractors, Inc.; Prime Minister Junichiro Koizumi of Japan; and Chairman Kim Chong-il of North Korea.

Statement on Senate Confirmation of Janice R. Brown as a United States Court of Appeals Judge for the District of Columbia Circuit
June 8, 2005

I commend the Senate for voting to confirm Justice Janice Rogers Brown. During her tenure on the California Supreme Court and California Court of Appeals, Justice Brown has distinguished herself as a brilliant and fair-minded jurist who is committed to the rule of law. Justice Brown exemplifies the American dream of personal achievement and excellence, and she will be a great asset to the United States Court of Appeals for the District of Columbia Circuit.

Remarks on the PATRIOT Act in Columbus, Ohio
June 9, 2005

Thank you all very much. Thank you. Please be seated. Thanks for the warm welcome. It's great to be back in Columbus, Ohio. I remind people that my grandfather was raised here in Columbus, Ohio. One time, I reminded people when I was in Columbus that my grandfather was raised here, my dad's dad—my mother called me; she said, "Why didn't you tell them my father was raised in Dayton?" [*Laughter*] I said, "From this point forward I will, Mother." [*Laughter*] My dad's dad was raised in Columbus, and my mother's dad was raised in Dayton. [*Laughter*] It's nice to be back.

I want to thank you all for letting me come by the Ohio State Highway Patrol Academy. I appreciate what you do here. I appreciate the hard work that you put forth in order to train men and women to be on the frontline of serving our communities and our country. I appreciate the fact that these are tough times for those who wear the uniform. But you've got to understand that the men and women who wear the badge of peace—the peacekeepers, the people on the frontlines of keeping our community safe—have got the gratitude of the American people. On behalf of a grateful nation, thank you for what you do.

And I appreciate my friend Attorney General Al Gonzales joining me today. Thanks for coming over to introduce me. Get back to work. [*Laughter*]

I want to thank Governor Taft joining us. Governor, I appreciate you being here.

I want to thank Senator Mike DeWine for joining us today. Proud you're here, Senator. Congressman Pat Tiberi—this is his district—Congressman, I appreciate you coming. He said, by the way, "Ohio State is in my district." He said, "You tell those Texas Longhorns"—[*laughter*]—I'm not going to tell them what you said.

[*Laughter*] I appreciate Congressman Dave Hobson joining us as well.

I want to thank the State attorney general, Jim Petro, for joining us; U.S. Attorney Greg Lockhart. I want to thank Director Ken Morckel for joining us today. Thank you, Ken, for being here. Paul McClellan, State and local officials, most of all, people who wear the uniform, I'm proud you're here.

Today when I landed at the airport, I met Dianne Garrett, who is with us today. Dianne has been a volunteer with the Whitehall Citizens Police Academy Alumni Association for 8 years. She represents thousands of people across our country who are working hand in glove with their local law enforcement to make the police stations work better. She's a part of the citizen corps. She's a part of the emergency response team in Whitehall community.

The reason I bring up people like Dianne is, it's important for us to always remember that the great strength of America lies in the hearts and souls of our citizens. The true strength of this country lies in the hearts of those who are willing to help volunteer to make our communities a more compassionate, decent, and safe place. If you want to serve Ohio, if you want to serve America, help feed the hungry, find shelter for the homeless, volunteer to help our law enforcement do their job. Love a neighbor just like you'd like to be loved yourself, and you're making a big contribution to America. Dianne, thank you for coming. Go ahead and stand up.

My most solemn duty as the President is to protect the American people. And I'm honored to share that responsibility with you. We have a joint responsibility. As sworn officers of the law, you're devoted to defending your fellow citizens. Your vigilance is keeping our communities safe, and you're serving on the frontlines of the war on terror. It's a different kind of war than a war our Nation was used to. You know firsthand the nature of the enemy. We face brutal men who celebrate murder, who incite suicide, and who would stop at nothing to destroy the liberties we cherish. You know that these enemies cannot be deterred by negotiations or concessions or appeals to reason. In this war, there's only one option, and that option is victory.

Since September the 11th, 2001, we have gone on the offensive against the terrorists. We have dealt the enemy a series of powerful blows. The terrorists are on the run, and we'll keep them on the run. Yet they're still active; they're still seeking to do us harm. The terrorists are patient and determined, and so are we. They're hoping we'll get complacent and forget our responsibilities. Once again, they're proving that they don't understand our Nation. The United States of America will never let down its guard.

It's a long war, and we have a comprehensive strategy to win it. We're taking the fight to the terrorists abroad so we don't have to face them here at home. We're denying our enemies sanctuary by making it clear that America will not tolerate regimes that harbor or support terrorists. We're stopping the terrorists from achieving ideological victories they seek by spreading hope and freedom and reform across the broader Middle East. By advancing the cause of liberty, we'll lay the foundations for peace for generations to come.

And one of the great honors as the President is to be the Commander in Chief of a fantastic United States military, made fantastic by the quality and the character of the men and women who wear the uniform. Thank you for serving.

As we wage the war on terror overseas, we'll remember where the war began, right here on American soil. In our free and open society, there is no such thing as perfect security. To protect our country, we have to be right 100 percent of the time. To hurt us, the terrorists have to be right only once. So we're working to answer that challenge every day, and we're making good progress toward securing the homeland.

We've enhanced security at coastlines and borders and ports of entry, and we have more work to do. We've strengthened protections at our airports and chemical plants and highways and bridges and tunnels. And we got more work to do. We've made terrorism the top priority for law enforcement, and we've provided unprecedented resources to help folks like yourselves do their jobs.

Since 2001, we've more than tripled spending on homeland security; we've increased funding more than tenfold for the first-responders who protect our homeland. Law enforcement officers stand between our people and great danger, and we're making sure you have the tools necessary to do your job.

We've also improved our ability to track terrorists inside the United States. A vital part of that effort is called the USA PATRIOT Act. The PATRIOT Act closed dangerous gaps in America's law enforcement and intelligence capabilities, gaps the terrorists exploited when they attacked us on September the 11th. Both Houses of Congress passed the PATRIOT Act by overwhelming bipartisan majorities. Ninety-eight out of 100 United States Senators voted for the act. That's what we call bipartisanship. The PATRIOT Act was the clear, considered response of a nation at war, and I was proud to sign that piece of legislation.

Over the past 3½ years, America's law enforcement and intelligence personnel have proved that the PATRIOT Act works, that it was an important piece of legislation. Since September the 11th, Federal terrorism investigations have resulted in charges against more than 400 suspects, and more than half of those charged have been convicted. Federal, State, and local law enforcement have used the PATRIOT Act to break up terror cells in New York and Oregon and Virginia and in Florida. We prosecuted terrorist operatives and supporters in California, in Texas, in New Jersey, in Illinois, and North Carolina and Ohio. These efforts have not always made the headlines, but they've made communities safer. The PATRIOT Act has accomplished exactly what it was designed to do: It has protected American liberty and saved American lives.

The problem is, at the end of this year, 16 critical provisions of the PATRIOT Act are scheduled to expire. Some people call these "sunset provisions." That's a good name, because letting that—those provisions expire would leave law enforcement in the dark. All 16 provisions are practical, important, and they are constitutional. Congress needs to renew them all, and this time, Congress needs to make the provisions permanent.

We need to renew the PATRIOT Act because it strengthens our national security in four important ways. First, we need to renew the critical provisions of the PATRIOT Act that authorize better sharing of information between law enforcement and intelligence. Before the PATRIOT Act, criminal investigators were separated from intelligence officers by a legal and bureaucratic wall. A Federal prosecutor who investigated Usama bin Laden in the 1990s explained the challenge this way: "We could talk to citizens, local police officers, foreign police officers; we could even talk to Al Qaida members. But there was one group of people we were not permitted to talk to, the FBI agents across the street from us assigned to parallel intelligence investigations of Usama Bin Laden and Al Qaida. That was a wall."

Finding our enemies in the war on terror is tough enough; law enforcement officers should not be denied vital information their own colleagues already have. The PATRIOT Act helped tear down this wall, and now law enforcement and intelligence officers are sharing information and working together and bringing terrorists to justice.

In many terrorism cases, information sharing has made the difference between success and failure. And you have an example right here in Columbus, Ohio. Two years ago, a truck driver was charged with

providing support to Al Qaida. His capture came after an investigation that relied on the PATRIOT Act and on contributions from more than a dozen agencies in the Southern Ohio Joint Terrorism Task Force. And members of that task force are with us today. I want to thank you for your contribution to the safety of America, and you'll understand this story I'm about to tell.

For several years, Iyman Faris posed as a law-abiding resident of Columbus. But in 2000, he traveled to Afghanistan and met Usama bin Laden at an Al Qaida training camp. Faris helped the terrorists research airplanes and handle cash and purchase supplies. In 2002, he met Khalid Sheikh Mohammed, the mastermind of the September the 11th attacks, and he agreed to take part in an Al Qaida plot to destroy a New York City bridge.

After Faris returned to the United States, Federal investigators used the PATRIOT Act to follow his trail. They used new information-sharing provisions to piece together details about his time in Afghanistan and his plan to launch an attack on the United States. They used the PATRIOT Act to discover that Faris had cased possible targets in New York and that he'd reported his findings to Al Qaida. In the spring of 2003, the FBI confronted Faris and presented the case they had built against him. The case against him was so strong that Faris chose to cooperate, and he spent the next several weeks telling authorities about his Al Qaida association. Faris pled guilty to the charges against him. And today, instead of planning terror attacks against the American people, Iyman Faris is sitting in an American prison.

The agents and prosecutors who used the PATRIOT Act to put Faris behind bars did superb work, and they know what a difference information sharing made. Here is what one FBI agent said—he said, "The Faris case would not have happened without sharing information." That information sharing was made possible by the PATRIOT Act. Another investigator on the case said, "We never would have had the lead to begin with." You have proved that good teamwork is critical in protecting America. For the sake of our national security, Congress must not rebuild a wall between law enforcement and intelligence.

Second, we need to renew the critical provisions of the PATRIOT Act that allow investigators to use the same tools against terrorists that they already use against other criminals. Before the PATRIOT Act, it was easier to track the phone contacts of a drug dealer than the phone contacts of an enemy operative. Before the PATRIOT Act, it was easier to get the credit card receipts of a tax cheat than an Al Qaida bankroller. Before the PATRIOT Act, agents could use wiretaps to investigate a person committing mail fraud but not to investigate a foreign terrorist. The PATRIOT Act corrected all these pointless double standards, and America is safer as a result.

One tool that has been especially important to law enforcement is called a roving wiretap. Roving wiretaps allow investigators to follow suspects who frequently change their means of communications. These wiretaps must be approved by a judge, and they have been used for years to catch drug dealers and other criminals. Yet before the PATRIOT Act, agents investigating terrorists had to get a separate authorization for each phone they wanted to tap. That means terrorists could elude law enforcement by simply purchasing a new cell phone. The PATRIOT Act fixed the problem by allowing terrorism investigators to use the same wiretaps that were already being using against drug kingpins and mob bosses. The theory here is straightforward: If we have good tools to fight street crime and fraud, law enforcement should have the same tools to fight terrorism.

Third, we need to renew the critical provisions of the PATRIOT Act that updated the law to meet high-tech threats like computer espionage and cyberterrorism. Before the PATRIOT Act, Internet providers who

notified Federal authorities about threatening e-mails ran the risk of getting sued. The PATRIOT Act modernized the law to protect Internet companies who voluntarily disclose information to save lives.

It's commonsense reform, and it's delivered results. In April 2004, a man sent an e-mail to an Islamic center in El Paso and threatened to burn the mosque to the ground in 3 days. Before the PATRIOT Act, the FBI could have spent a week or more waiting for the information they needed. Thanks to the PATRIOT Act, an Internet provider was able to provide the information quickly and without fear of a lawsuit, and the FBI arrested the man before he could fulfill his threat.

Terrorists are using every advantage they can to inflict harm. Terrorists are using every advantage of 21st century technology, and Congress needs to ensure that our law enforcement can use that same advantage as well.

Finally, we need to renew the critical provisions of the PATRIOT Act that protect our civil liberties. The PATRIOT Act was written with clear safeguards to ensure the law is applied fairly. The judicial branch has a strong oversight role. Law enforcement officers need a Federal judge's permission to wiretap a foreign terrorist's phone, a Federal judge's permission to track his calls, or a Federal judge's permission to search his property. Officers must meet strict standards to use any of these tools, and these standards are fully consistent with the Constitution of the United States.

Congress also oversees the application of the PATRIOT Act. Congress has recently created a Federal board to ensure that the PATRIOT Act and other laws respect privacy and civil liberties, and I'll soon name five talented Americans to serve on that board. Attorney General Gonzales delivers regular reports on the PATRIOT Act to the House and the Senate. And the Department of Justice has answered hundreds of questions from Members of Congress. One Senator, Dianne Feinstein of California, has worked with civil rights groups to monitor my administration's use of the PATRIOT Act. Here's what she said, "We've scrubbed the area, and I have no reported abuses." Remember that the next time you hear someone make an unfair criticism of this important, good law. The PATRIOT Act has not diminished American liberties; the PATRIOT Act has helped to defend American liberties.

Every day the men and women of law enforcement use the PATRIOT Act to keep America safe. It's the nature of your job that many of your most important achievements must remain secret. Americans will always be grateful for the risks you take and for the determination you bring to this high calling—you have done your job. Now those of us in Washington have to do our job. The House and Senate are moving forward with the process to renew the PATRIOT Act. My message to Congress is clear: The terrorist threats against us will not expire at the end of the year, and neither should the protections of the PATRIOT Act.

I want to thank you for letting me come and talk about this important piece of legislation. I want to thank you for being on the frontlines of securing this country. May God bless you and your families, and may God continue to bless our Nation. Thank you very much.

NOTE: The President spoke at 11:22 a.m. at the Ohio State Highway Patrol Academy. In his remarks, he referred to Gov. Bob Taft of Ohio; Kenneth L. Morckel, director, Ohio Department of Public Safety; Col. Paul D. McClellan, superintendent, Ohio State Highway Patrol; Patrick J. Fitzgerald, U.S. Attorney for the Northern District of Illinois and Department of Justice CIA leak investigation Special Prosecutor; and Usama bin Laden, leader of the Al Qaida terrorist organization.

Statement on Senate Confirmation of Judges for the United States Court of Appeals
June 9, 2005

I am pleased that the Senate voted today to confirm three distinguished and highly qualified judges to the United States Court of Appeals: Judge Bill Pryor, Judge Richard Griffin, and Judge David McKeague.

More than a year ago, I recess appointed Judge Pryor to the United States Court of Appeals for the Eleventh Circuit to fill a vacancy that had been designated a judicial emergency by the Judicial Conference of the United States. Judge Pryor's recent service on the Eleventh Circuit has built on an impressive career of public service in which he has applied the law fairly and impartially to all people. I commend the Senate for fulfilling its constitutional responsibility to vote on Judge Pryor and for confirming him so that he will continue his service on this court.

Both Judge Griffin and Judge McKeague have served on the Michigan courts for more than a decade, during which time each has demonstrated a strong commitment to the rule of law. Both are well qualified to serve on the United States Court of Appeals for the Sixth Circuit and will fill vacancies that have been designated judicial emergencies by the Judicial Conference of the United States.

These three nominees have waited a combined total of over 8 years for their votes. I applaud the Senate for today giving these fine nominees the up-or-down votes they deserve.

Videotape Remarks to the People of Africa
June 8, 2005

For the past several years, the United States has worked with African leaders on bold initiatives to encourage reform within the continent. Our goal is to improve the lives of the African people, and our partnership is yielding results. The economies of many African nations are growing. And in sub-Saharan Africa as a whole, economic growth is now at its highest level in 8 years.

The growth of your economies has been helped by strong trade ties between our continents. Last year, I signed the African Growth and Opportunity Acceleration Act, which will continue to reduce barriers to trade, increase exports, create jobs, and expand opportunity for Africans and Americans alike. This agreement is giving American businesses greater confidence to invest in Africa. It also encourages African nations to reform their economies. And the law is producing results: Last year, U.S. exports to sub-Saharan Africa increased 25 percent, and America's imports from AGOA countries rose 88 percent.

This success reflects the growing consensus in both Africa and the United States that open trade and international investment are the surest and fastest ways for Africa to make progress. AGOA nations are strengthening the rule of law. They are lowering trade barriers. They are combating corruption and protecting workers and eliminating child labor. They are setting an important example for the entire continent, demonstrating that governments that respect individual rights and encourage the development of their markets are more likely to grow economically and achieve political stability.

As we increase trade, we are also reforming the way we deliver aid. For too many years, our assistance to Africa was sent without regard to results. Under my Administration, U.S. development aid to African nations has increased, but we are not just giving more aid; we are being wiser about how it is spent.

The idea is based on common sense: Aid works best in countries that are proving their commitment to govern justly, respect the rule of law, invest in their citizens, and open up their economies. When nations do these things and expand freedom and opportunities to all their citizens, entire societies can be lifted out of poverty and despair. In 2002, we launched the Millennium Challenge Account to provide aid to poorer nations based on these principles. In April, Madagascar became the first country to sign a Compact with the Millennium Challenge Corporation, and I am confident that other African nations will follow.

At a time when freedom is on the march around the world, it is vital that the continent of Africa be a place of democracy and prosperity and hope, where people grow up healthy and have the opportunity to realize their dreams. Africa is a continent of promise, and the United States wants to help the people of Africa realize the brighter future they deserve.

NOTE: The President's remarks were taped at 11:05 a.m. in the Map Room at the White House for broadcast on Voice of America's radio and television stations beginning June 8. The transcript was released by the Office of the Press Secretary on June 10.

Remarks on the PATRIOT Act in McLean, Virginia
June 10, 2005

Thanks for the warm welcome. It is really exciting to come and spend time in this fine facility and to meet the men and women who work at the National Counterterrorism Center. I just met with some who spend long hours preparing threat assessments, and it was my honor to tell them how much I appreciate their hard work and appreciate the daily briefing I get every single morning.

I want to thank you all for taking on such demanding assignments and important assignments. My message to the folks here is, thanks for being on the frontline and protecting America during the war on terror. You know, it's a different kind of war. It's a war that seems like there's maybe no action taking place, that maybe the enemy is not active. You know, I was concerned after September the 11th that the tendency would be to forget the nature of the people with whom you deal on a daily basis. But I understand that there is an enemy that still lurks, and you know it as well.

And so on behalf of a grateful nation, I want to thank you for working hard to protect America. I want to thank you for your dedication. I want to thank you for your service and sacrifice.

The NCTC plays a key part in the Office of the Director of National Intelligence. It's a crucial part of making sure that we can say to the American people, we're collecting intelligence and information, and we're sharing intelligence and information across jurisdictional lines to better protect the people and do our most solemn duty, which is to protect America.

And I want to thank Ambassador and Director John Negroponte's leadership on this issue. I want to thank him for his willingness to step forward to serve. And I

appreciate his understanding of how important the NCTC is.

I also want to thank John Brennan, who has been the Acting Director of the NCTC. I can remember first meeting John—it probably seems like a decade ago for him—[*laughter*]—I think it was actually a couple of years ago, when he first described what this facility would be like. He laid out the vision for what would take place here, and I want to thank John for his leadership, his dedication to the effort. It must bring John great comfort, as well as those who have worked with John, to see how this facility has evolved over time. This is a magnificent blend of technology and human talent, all working together to break down walls and barriers that had existed prior to September the 11th, to better protect the people.

And today I'm pleased to announce the fact that upon John Negroponte's recommendation, that we will nominate Vice Admiral John Redd to be the Director of the NCTC. He's a man of enormous experience. He has served our country with distinction. He'll be a good boss. He'll be a person that will be able to carry on the tradition of John Brennan.

I appreciate the Attorney General traveling with me today. We're not only talking about intelligence sharing; we're telling about—we're talking about how to act upon that intelligence today. Attorney General Al Gonzales is doing a fine job, as is the Director of the FBI, Bob Mueller.

I also appreciate Porter Goss, who is running the CIA, for joining us today. I went out to the CIA the other day, and I reminded the good folks who work there that CIA stands for Central Intelligence Agency. The CIA is a vital part of making sure that this country is safe and sound and a vital part of making sure that my administration and myself get the type of information necessary to make the decisions that we need to make to make the world a more peaceful place.

I appreciate Fran Townsend, who is my Homeland Security Adviser. Fran is constantly briefing me on interagency issues and keeping me up to speed about the work you're doing.

Today we're also joined by Federal prosecutors and law enforcement officials who have helped bring terrorists to justice with the help of the PATRIOT Act. I'll talk about them in a minute. Thank you all for coming.

The purpose of the NCTC is to make sure our Government has the information we need. It's an information-gathering organization. It is all aimed—all the work here is aimed at keeping America safe. A lot of Americans have never heard of the NCTC. One of the reasons I came by was, hopefully it will help draw attention to the good work you do here, so that the people of this country can be comforted in knowing that 24 hours a day there's some really fine people spending a lot of time doing whatever they can to protect our fellow citizens.

September the 11th showed that protecting America requires that we remove walls between agencies. Here at the NCTC, men and women from different agencies, of different backgrounds, work side by side to share information, to analyze information, to integrate information. See, prior to the attack, it was—we kind of all went about our own merry way. There was some interagency dialog but not a lot. And we learned a lesson about having walls between our agencies, and we're tearing those walls down. And here's a classic example of Government working—functioning better because of people talking to each other.

I appreciate the fact that here you pool your expertise and your computer systems, all aimed at shining the spotlight on enemies who think they can hide in the shadows of the world. I appreciate the clear picture that you present. See, by working together, you're able to bring information to a central spot, and then present a clear picture to decisionmakers.

I also appreciate the fact that you're helping to ensure that Federal, State, and local law enforcement have the information they need to do their jobs. Thanks to your efforts, we're confronting the terrorists every day. See, the strategy is, we'll defeat them before they attack us; we'll face them overseas before we have to face them here at home. And the best way to make sure we do so is with the best possible intelligence.

One of the most important tools to combat terror is the PATRIOT Act. Congress passed the PATRIOT Act with overwhelming bipartisan majorities. Over the past 3½ years, law enforcement and intelligence officers have proved that the PATRIOT Act works. It's a good piece of legislation. The PATRIOT Act has made a difference for those on the frontline of taking the information you have gathered and using it to protect the American people.

At the end of this year, 16 key provisions of the PATRIOT Act are set to expire. In other words, the act that has worked, the act that has delivered good results or given people the tools to deliver results, is now set to expire. That doesn't make any sense to me, that if something is working, why should it expire? We need to renew the PATRIOT Act. We need to renew the PATRIOT Act because it has strengthened our national security. And here are four ways it has strengthened our national security.

First, it authorizes law enforcement and intelligence to share vital information. Can you believe our system didn't allow parts of the FBI to share information? For example, if the intelligence group didn't—had a piece of information, they couldn't share it with the enforcement people, the law enforcement people. That doesn't make any sense. And so the PATRIOT Act enabled us to tear down walls.

Secondly, the PATRIOT Act allows law enforcement to use the same tools against terrorists that they already use against criminals like drug dealers and mob bosses. It seems to make sense to me. I know it makes sense for the American people that if it's okay to use a certain tool to track a drug lord, we ought to be able to use that same tool to track a terrorist. And that's what the PATRIOT Act provided our law enforcement with, the ability to react consistently.

Thirdly, the PATRIOT Act adopts the law to meet high-tech threats like computer espionage and cyberterrorism. It was a smart thing to put in the PATRIOT Act new provisions, provisions of law that said, "Wait a minute, the enemy can use the Internet; why shouldn't we be able to counteract that activities—that activity by the enemy?"

And finally, the PATRIOT Act protects the privacy and civil liberties of every American. That's what the American people have got to understand. The PATRIOT Act conforms to our Constitution, that as we fight this war on terror, we'll honor our Constitution. As we fight the war on terror, we'll protect the civil liberties of our citizens.

Let me give you some examples of how Federal prosecutors and law enforcement agents have used the PATRIOT Act to get results. Mike Battle, the former U.S. Attorney for the Western District of New York, is with us. Mike helped prosecute the Lackawanna Six terror cell. See, there was a terror cell existing in the United States of America. And Mike and law enforcement officials there, in the summer of 2001, started investigating the Lackawanna Six. But they had to set up two separate investigations, a criminal investigation for drug crimes and a separate intelligence investigation for terror activity. And agents from the two investigations did not discuss their findings with each other.

Then Congress passed the PATRIOT Act, and the two sides started sharing information. See, prior to the PATRIOT Act, parts of the same FBI office couldn't discuss a case with each other. And as a result of information sharing, the agents discovered that the suspects had attended an Al

Qaida training camp in Afghanistan. The prosecutor used the information to build a convincing case, and today, all six of the Lackawanna folks are in Federal prison. In other words, the PATRIOT Act worked. We've got hard-working people in the field, and so we gave the people tools—simple tools—that said, "Here, this will enable you to better do your job." You can't ask people on the frontline of the war on terror to protect the American people and then not give them the tools necessary to do so.

Carol Lam is with us. She's the U.S. Attorney from the Southern District of California. The information-sharing provisions in the PATRIOT Act helped Carol and her team connect the dots in an Al Qaida drugs-for-weapons plot. They put together such a strong case that two defendants admitted their plans to sell drugs for Stinger missiles and then sell those missiles to the Taliban. They're now in prison, thanks to Carol's good work and thanks to the ability for prosecutors and law enforcement to use the tools of the PATRIOT Act to better protect the American people.

Rob Spencer is the U.S.—Assistant U.S. Attorney for the Eastern District of Virginia. He worked with Paul McNulty and used information obtained through the PATRIOT Act to lock up 10 men from the Virginia Jihad network. Some of those terrorists trained at camps in Pakistan and hoped to attack American troops in Afghanistan. Information from the investigation has also helped lead to the prosecutions of terror suspects in Australia and Great Britain.

I mean, not only are we sharing information here at home; we're sharing information with our allies, with our coalition partners. See, terrorists are willing to strike at anybody who loves freedom, and our job is to protect free societies—the freest of all societies here at home and the free societies amongst our coalition partners. And the PATRIOT Act has helped do just that.

Kelly Moore is the Assistant U.S. Attorney of the Eastern District of New York. Kelly used information-sharing provisions in the PATRIOT Act to build a case against a terrorist bankroller who had boasted about personally handing $20 million to Usama bin Laden. They also busted another money raiser who planned to fund Al Qaida and Hamas. They were extradited to Germany, and they were convicted of the charges in March of this year.

This is another example of the use of the PATRIOT Act to protect our country. I mean, listen, we got people who want to support these killers with their money. And part of securing the country is to cut off the flow of money, is to chase the money. By chasing the money, we can find facilitators. So these good folks use the PATRIOT Act to help find the money, and by finding the money, we helped remove a threat to the United States of America.

John Kavanaugh, FBI Special Agent in Florida—John used the PATRIOT Act to help prosecutors pursue a case against three alleged terror supporters for funding murders and kidnappings abroad. Two of them are now in Federal custody, and the other is serving time overseas for terrorist activity.

Robert Schumaker, FBI Supervisory Special Agent from Illinois—Robert led the investigation that helped close down a phony charity in Illinois that was channeling money to Al Qaida. Robert's efforts, combined with the information-sharing authorities in the PATRIOT Act, allowed prosecutors to build a case against a director of that sham organization.

We're not only finding people and bringing them to justice; we're shutting down their sources for money. We're taking away their lifeblood, which is money. Listen, we're a free society, and people come and take advantage of our freedom. And so what we've got to do is use information and intelligence to deny them the capacity to funnel money, in this case to organizations that want to do harm to the United States and our friends and allies.

I want you to know that the information sharing as a result of the PATRIOT Act allowed the prosecutors in this case to build a case against the director, and he's now in prison. We're patient here in America. We're slowly but surely dismantling an organization that wants to do us harm. It doesn't matter how long it takes; we will stay on the offense. We spend a lot of time here in America protecting our borders and ports and airports, but the best way to secure the country is to stay on the offense, is to go find them before they can hurt us. And that's exactly what we're doing.

And the PATRIOT Act has helped us accomplish that objective. The PATRIOT Act has helped save American lives, and it's protected American liberty. For the sake of our national security, the United States Congress needs to renew all the provisions of the PATRIOT Act, and this time, Congress needs to make those provisions permanent.

I want to thank you for letting me come by. I appreciate the hard work you do. May God bless you all and your families, and may God continue to bless our country. Thank you.

NOTE: The President spoke at 10:15 a.m. at the National Counterterrorism Center. In his remarks, he referred to Paul McNulty, U.S. District Attorney for the Eastern District of Virginia; and Usama bin Laden, leader of the Al Qaida terrorist organization.

Remarks Following Discussions With President Roh Moo-hyun of South Korea and an Exchange With Reporters
June 10, 2005

President Bush. It's my honor to welcome the President of our very close ally to the Oval Office. I'll have a statement; the President will have a statement. Then I'll answer two questions from the American press.

I first want to express my country's deepest condolences for the accident that took place, where a U.S. military vehicle killed a Korean woman. And we send our deepest sympathies to the woman's families. And, Mr. President, I just want you to know our heart—our hearts are sad as a result of this incident.

The President and I had a very long discussion about very important issues. And we'll continue this discussion over lunch. And the reason why we've had a serious discussion on important issues is because we're strategic partners and allies and friends.

I appreciate the President's good advice, and we share the same goals, peace on the Korean Peninsula and peace throughout the world. We share the same goals: We want our peoples to grow up in a peaceful society that's a prosperous society.

And so, Mr. President, welcome. Thank you for coming, and thank you for your friendship.

President Roh. I thank you for your warm welcome, and I also thank you for the opportunity for us to engage in extensive discussions on various issues. I also thank you, Mr. President, for your warm message of condolence regarding the unfortunate incident involving U.S. forces Korea.

This is my fourth meeting with you, Mr. President, and my second visit to the United States. And every time we meet together, Mr. President, questions abound regarding the possible existence of differences between Korea and the United States surrounding the North Korea nuclear issue. But every time I meet you, Mr.

President, in person, I come to the realization that there indeed is no difference between our two sides with regard to the basic principles. In fact, we're in full and perfect agreement on the basic principles. And whatever problem arises in the course of our negotiations and talks, we will be able to work them out under close consultations.

There are, admittedly, many people who worry about potential discord or cacophony between the two powers of the alliance. But after going through our discussion today, Mr. President, I realize once again that with regard to all the matters and all the issues of great importance, we were able to deal with them and we were able to bring closure to them smoothly. And I am very certain that our alliance remains solid and will continue to remain solid and staunch in the future as well.

To be sure, there are one or two minor issues, but I'm also quite certain that we will be able to work them out very smoothly through dialog in the period ahead. How do you feel, Mr. President? Wouldn't you agree that the alliance is strong and everything is working——

President Bush. I would say the alliance is very strong, Mr. President. And I want to thank you for your frank assessment of the situation on the Peninsula. And I'm looking forward to having lunch with you. I'm hungry, like you are. [*Laughter*]

So I'm going to answer two questions, first from Tom [Tom Raum, Associated Press].

Situation in North Korea

Q. Mr. President, just two days ago, the Vice Foreign Minister of North Korea said they do have a nuclear arsenal and they're building more. Doesn't statements like that make it—suggest that North Korea will not come back to the bargaining table? And doesn't it make it harder to bridge the kinds of differences that do remain between the U.S. and South Korea?

President Bush. No, I—South Korea and the United States share the same goal, and that is a Korean Peninsula without a nuclear weapon. And that's what we've been discussing, how best to do that. And the President and I both agree the six-party talks are essential to saying to Mr. Kim Chong-il that he ought to give up his weapons. We're making it very clear to him that the way to join the community of nations is to listen to China and South Korea and Japan and Russia and the United States—and that is to give up nuclear weapons. And we'll continue to work, to have one voice.

We laid out a way forward last June that is a reasonable proposal, and we're still awaiting the answer to that proposal. But today's meeting should make it clear that South Korea and the United States are of one voice on this very important issue.

Steve [Steve Holland, Reuters].

Q. Sir, are there any inducements you're willing to offer to get North Korea back to the talks? And if I could ask about Syria as well.

President Bush. Steve, first of all, the first part of your two-part question is this: Last June, we did lay out a way forward. And it's just not the United States; this was a plan that the United States and South Korea and China and Japan and Russia put on the table. And the plan is still there, and it's full of inducements.

The second part, on Syria——

Syria

Q. Is it your feeling that Syria still has intelligence operatives in Lebanon, and are they carrying out targeted political killings?

President Bush. Well, I've been disturbed by reports I read in today's newspaper that said that Syrian intelligence officers might still be in Lebanon and might still be there. And our message—and it's not just the message of the United States; the United Nations has said the same thing—is that in order for Lebanon to be free, is for Syria to not only remove her military but

to remove intelligence officers as well. And obviously, we're going to follow up on these troubling reports, and we expect the Syrian Government to follow up on these troubling reports.

Listen, thank you all very much.

NOTE: The President spoke at 12:17 p.m. in the Oval Office at the White House. In his remarks, he referred to Chairman Kim Chong-il of North Korea. A reporter referred to Vice Foreign Minister Kim Gye-gwan of North Korea. A tape was not available for verification of the content of these remarks.

Joint Statement by President George W. Bush and President Thabo Mbeki of South Africa
June 10, 2005

Our two nations are committed to deepening the close bonds of cooperation and shared values of peace and prosperity that mark the U.S./South Africa bilateral relationship. In our meeting on June 1, we shared perspectives on vital bilateral and international issues, including: trade and economic development; eradication of poverty; the fight against HIV/AIDS; global cooperation against terrorism and the proliferation of weapons of mass destruction; debt management in Africa; and the compelling need to help all people attain the blessings of freedom, democracy, and security.

Building Peace and Security

We discussed South Africa's experience as a beacon for reconciliation and as an important leader in resolving conflicts. We recognized the significant progress in resolving the devastating conflicts in the Democratic Republic of the Congo, Burundi, Cote d'Ivoire, and Sudan. Looking to the future, we identified mutual support for United Nations and African Union initiatives as essential to building a durable peace in these countries.

- We agreed that all nations should uphold and enforce internationally established obligations to prevent the further spread of nuclear, chemical, and biological weapons and expressed our mutual determination to deal forcefully with the threat of international terrorism.

Spreading Economic Growth and Well-Being

The productive meeting afforded us the opportunity to reaffirm our joint vision for African economic growth and development, a vision built around the principles of good governance and accountability established both in the New Partnership for Africa's Development (NEPAD) and the 2002 Monterrey Consensus.

We noted with satisfaction the positive benefits for South Africa and the region of the African Growth and Opportunity Act (AGOA). We agreed that our two countries share a strong interest in the successful completion of the Doha Development Agenda negotiations of the World Trade Organization (WTO) and will work together in the WTO toward the elimination of agriculture-export subsidies, the reduction of trade-distorting domestic support, and substantial improvements in agricultural-market access. We agreed on the economic benefits of a U.S.-Southern African Customs Union (SACU) Free Trade Agreement and its potential to create economic growth and jobs, and we asked our negotiators to intensify efforts to conclude such an agreement.

We also look forward to a positive outcome of the upcoming G–8 summit reaffirming the G–8's commitment to supporting Africa's efforts to address the challenges and realize the opportunities the continent faces. We agreed to strengthen our joint efforts to cooperate to combat the devastating effects of HIV/AIDS, tuberculosis, malaria, and other infectious diseases.

Expanding Democracy and Freedom

We agreed that our two nations should identify ways to work together even more effectively in the international arena to promote these principles of democracy and human rights.

We stressed that a democratic, stable, and economically prosperous Zimbabwe is in the interests of the African continent and international community. We expressed our deep concern about the food crisis and the suffering of the people of the southern African region—Zimbabwe, in particular.

Next Steps

To fulfill our joint goals and interests, we agreed to take the following concrete steps over the next 12 months:

- Expand U.S. cooperation with the NEPAD to support its vision of improved governance, better economic management, and regional integration;
- Work with the African Union to promote development and good governance in Africa, support South African leadership in resolving conflict and building peace in the Democratic Republic of the Congo, Sudan, Cote d'Ivoire, and Burundi;
- Enhance U.S.-South African military cooperation, including training and equipping a South African battalion and establishing a joint training program to support the African Standby Force and peacekeeping initiatives throughout the continent;
- Work together toward strengthening the efforts of the Zimbabwe people to achieve a peaceful resolution to that country's political and economic crisis;
- Initiate senior-level consultations on human rights, particularly for women and children, including multilateral mechanisms;
- Deepen cooperation to end terrorism and the proliferation of weapons of mass destruction; and
- Intensify efforts to conclude a U.S.-SACU Free Trade Agreement.

Our two governments will meet regularly to consult on bilateral, regional, and multilateral issues of shared importance. We asked the United States Secretary of State and the South African Minister of Foreign Affairs to oversee bilateral consultations on these initiatives and report to us in twelve months on concrete results.

We look forward to continuing our dialogue and to an even greater cooperation at all levels in our governments.

NOTE: An original was not available for verification of the content of this joint statement.

Statement on the Resignation of Harvey S. Rosen as Chairman of the Council of Economic Advisers
June 10, 2005

Harvey Rosen has served with distinction on the Council of Economic Advisers. He has been a vital and trusted member of my economic team, and his sound counsel helped lay the foundation for economic growth and job creation. I appreciate Har-

vey's hard work and dedication, and I wish him and Marsha all the best.

The President's Radio Address
June 11, 2005

Good morning. As we enter the summer season, my administration is working hard to keep our economy growing and creating jobs. Next week, I will talk about some of my plans to help American families achieve long-term economic security.

On Tuesday, I will discuss Social Security reform with young people in Pennsylvania. I will remind them that the Social Security system is in good shape for their grandparents and for anybody born prior to 1950. I will also tell them that we must act now to strengthen and modernize Social Security so these young people can have a secure retirement. Our young people understand that if we fail to act, Social Security will not be sound when they need it. They know that the millions of baby boomers about to retire will live longer and collect benefits that the system cannot afford.

As we make Social Security permanently sustainable, we must also make it a better deal for younger workers, by allowing them to set aside a portion of their payroll taxes in voluntary personal savings accounts. These accounts would provide the opportunity to earn a higher rate of return than the current system can offer. Personal accounts would contribute to the economic security of Americans by allowing them to build up a real nest egg, something they own and can pass on to their spouse or children, and that Government cannot take away.

On Wednesday, I will address the Energy Efficiency Forum here in Washington and renew my call for Congress to act on the energy plan I proposed 4 years ago. Today's high energy prices are like a tax that drags on our economy. We must ensure that American families and small businesses have access to a reliable supply of affordable energy. My energy strategy will lessen our dependence on foreign oil by encouraging conservation, promoting domestic production in environmentally friendly ways, and funding promising new sources of energy such as hydrogen, ethanol, and biodiesel. It will also modernize our aging electricity grid.

The House has passed a good energy bill. Now, the American people expect the Senate to act. For the sake of our economic and national security, Congress needs to get a good energy bill to my desk by August.

On Thursday and Friday, I will discuss a key element of ensuring health care security for our Nation's seniors. The Medicare modernization bill I signed into law in 2003 created a new prescription drug benefit, so our seniors could have more choices and receive the affordable modern health care they deserve. This voluntary benefit begins next January, and seniors will be eligible to enroll starting this November. The plan will provide many options for dependable prescription drug coverage through Medicare. During the coming months, we will work to educate all of our seniors about this new benefit, so they can choose confidently the drug plan that best meets their needs.

Finally, to ensure economic security for all Americans, Congress needs to keep your taxes low and be wise with taxpayers' dollars. I proposed and the House and Senate passed a responsible budget resolution that

meets our priorities and keeps us on track to cut the deficit in half by 2009. The weeks ahead will bring important decisions on Government spending including the highway bill. Congress needs to soon send me a fiscally responsible highway bill that modernizes our roads and bridges and improves safety and creates jobs.

Achieving economic security for all Americans requires us to confront challenges now, not pass them on to future generations. In the coming weeks, I will work with Congress on all these priorities so we can strengthen our Nation's prosperity for generations to come.

Thank you for listening.

NOTE: The address was recorded at 7:50 a.m. on June 10 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on June 11. The transcript was made available by the Office of the Press Secretary on June 10 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Letter to the Speaker of the House of Representatives on Reallocation of the Emergency Response Fund
June 10, 2005

Dear Mr. Speaker:

I am notifying the Congress of my intent to reallocate funds previously transferred from the Emergency Response Fund (ERF).

At this time, $1.074 million of ERF funds will be reallocated within the Department of the Treasury to strengthen the physical protection of the main Treasury building.

The details of this action are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

GEORGE W. BUSH

NOTE: This letter was released by the Office of the Press Secretary on June 13.

Remarks at "An American Celebration at Ford's Theatre"
June 12, 2005

The President. Jeff, thanks for the warm introduction. I like a good, long introduction. [*Laughter*] Say, listen, if you're ever looking for work, Laura is looking for some new material. [*Laughter*]

We've had a wonderful time this evening. Thank you all very much. I particularly want to thank the entertainers tonight: Debbie Allen and Geena Davis, Hilary Duff, Josh Gracin, Denyce Graves, Jesse McCartney. Thanks for dedicating a song to Laura, Jesse.

The First Lady. Thank you very much, Jesse.

The President. Pendragons—how about the Pendragons—and Julie Roberts. Thank you all so very much for being here.

I also want to thank our gala chair, Catherine Reynolds, as well as the general co-chairs who are here, Karyn Frist, Landra Reid, Abby Blunt, and Debbie Dingell.

Laura and I thank the Ford's Theatre Society and to the producing director, Paul Tetreault.

Since we moved to Washington, Laura and I have been guests of Ford's Theatre a number of times, and we appreciate the vital work it is doing. As a working stage, Ford's Theatre provides an important venue for the arts right here in the heart of our Nation's Capital.

I'm really grateful to the members of the Armed Services who participated in tonight's celebration. Our military is defending America and advancing the cause of freedom and peace around the world. We are privileged to be citizens of a country served by our brave troops, and we thank them for their service.

We appreciate the military families who are with us tonight. It's not easy being left behind when a loved one goes to war. By loving and supporting a man or woman in uniform, our military families also serve our Nation, and America is grateful to all of them for their support and sacrifice.

Once again, we thank all the entertainers and the supporters of the Ford's Theatre who have made this evening one to remember. May God bless you all, and may God continue to bless the United States.

NOTE: The President's remarks were videotaped at approximately 8:45 p.m. at Ford's Theatre for broadcast on July 4 on the ABC Television Network. In his remarks, he referred to entertainers Jeff Foxworthy, the Pendragons, and Julie Roberts. The transcript was released by the Office of the Press Secretary on June 13.

Remarks on the African Growth and Opportunity Act
June 13, 2005

Thank you all for coming. Welcome to the White House. I want to thank the five Presidents who are with us today: President Mogae of Botswana, President Kufuor of Ghana, President Guebuza of Mozambique, President Pohamba of Namibia, and President Tandja of Niger.

We just had a great discussion. I consider these men friends. I consider them to be strong patriots of their respective countries, and I consider them to be democrats.

I want to thank Secretary of State Condi Rice for joining us today, and she was in the discussions we had earlier. I'm honored that the members of the diplomatic corps have joined us. I thank the Ambassadors for being here.

I appreciate Members of the Congress being here: Senator Bill Frist, the majority leader is with us; Congressman Bill Thomas, Congressman Charlie Rangel of the Ways and Means Committee, two fine Members, and I appreciate you being here as a symbol of unity and support for—[*laughter*]—for moving the trade agenda forward. I appreciate Congressman Jim Kolbe from Arizona for being here as well. Thank you all for coming, really are honored you're here, and I know the Presidents are as well.

All the Presidents gathered here represent countries that have held democratic elections in the last year. What a strong statement that these leaders have made about democracy and the importance of democracy on the continent of Africa. All of us share a fundamental commitment to advancing democracy and opportunity on the continent of Africa, and all of us believe that one of the most effective ways to advance democracy and deliver hope to the people of Africa is through mutually beneficial trade.

That was certainly the idea behind the African Growth and Opportunity Act, a bipartisan act, an act of the United States Congress that recognized this fact. You see, AGOA is promoting democratic reform in Africa by providing incentives for these nations to extend freedom and opportunity to all of their citizens. Under this law, African nations can obtain greater access to our markets by showing their commitment to economic and political reform, by respecting human rights, tearing down trade barriers, and strengthening property rights and the rule of law, which is precisely what the leaders of these five nations are doing.

Because AGOA is producing results, I've twice signed into law provisions that build on its success and extend its benefits long into the future. My predecessor worked with the Congress to get the law passed. I have been honored to work with the Congress to extend the good law. And the reason why I feel confident in going to the Congress is because it has worked. It's a good piece of legislation that has made a difference in people's lives.

In 2004, we saw dramatic evidence of the results that this new engagement between the United States and Africa is helping produce. Last year, exports to the United States from AGOA nations were up 88 percent over the year before, and non-oil exports were up by 22 percent. In other words, we pledged to open our markets; we have opened our markets; and people are now making goods that the United States consumers want to buy. And that's helpful. That's how you spread wealth. That's how you encourage hope and opportunity.

Over the same period, interestingly enough, U.S. exports to sub-Sahara Africa were up 25 percent. In other words, this is a two-way street. Not only have folks in Africa benefited by selling products in the United States; American businesses, small and large, have benefited through the opening of the African market as well. Across sub-Sahara Africa, economic growth increased to an 8-year high. Real per capita income increased by 2.7 percent, and this growth is expected to continue in 2005. By creating jobs and lowering prices and expanding opportunity, AGOA is today developing benefits for Americans and Africans alike, and that's important for our fellow citizens to understand. Trade is beneficial for the working people here in America, just like it's beneficial for people on the continent of Africa.

We'll continue to work for policies that build on these impressive results. In December, I announced that 37 African countries are now eligible for AGOA benefits, and next month in Senegal, senior ministers from my administration will meet with government ministers from these 37 AGOA nations to build on this progress. These representatives will be joined by hundreds of American and African businesses and private organizations who will discuss ways to promote development and strengthen civil society.

As we expand our trade, the United States is committing to expanding our efforts to relieve hunger, reduce debt, fight disease on the African continent. One thing we discussed was the Millennium Challenge Account, and I assured the leaders we will work harder and faster to certify countries for the MCA, so that MCA countries and the people in the MCA countries can see the benefit of this really important piece of legislation and funding.

I also announced last week that the United States will provide about $674 million of additional resources to help alleviate humanitarian emergencies in African nations, especially the growing famine in parts of Africa. On Saturday, we also announced an agreement worked out through the Group of Eight industrialized nations that will cancel $40 billion in debt owed by 18 of the world's poorest nations, including 14 in Africa. The countries eligible for this relief are those that have put themselves on the path to reform. We believe that by removing a crippling debt burden, we'll

help millions of Africans improve their lives and grow their economies.

Finally, one of the greatest causes of suffering in Africa is the spread of HIV/AIDS. I appreciate Randy Tobias being here. I made fighting this terrible disease a top priority of my administration by launching an emergency plan for AIDS relief. Working with our African partners, we have now delivered life-saving treatment to more than 200,000 people in sub-Sahara Africa, and we're on our way to meeting an important goal—an important 5-year goal—of providing treatment for nearly 2 million African adults and children.

The United States of America is firmly committed to working with governments to help fight the pandemic of AIDS. It is—this crisis is one that can be arrested. And I want you all to know that when America makes a commitment, we mean what we say, and this Government means what it says, and this Congress means what it says, and we'll work together to fight HIV/AIDS.

These are just some of the initiatives that we're pursuing to help Africa's leaders bring democracy and prosperity and hope to their people. The reason I ask these Presidents to join us today is because I applaud their courage; I appreciate their wisdom. I appreciate them being such good friends that they're able to feel comfortable in coming to the White House to say, "Mr. President, this is going well, and this isn't. How about working together to make this work better." That's how we solve problems. We solve problems by having a frank and open dialog.

We believe Africa is a continent full of promise and talent and opportunity, and the United States will do our part to help the people of Africa realize the brighter future they deserve.

Again, I'm honored you all are here. Thank you all for coming. May God bless you all.

NOTE: The President spoke at 11:11 a.m. in Room 450 in the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to President Festus Gontebanye Mogae of Botswana; President John Agyekum Kufuor of Ghana; President Armando Guebuza of Mozambique; President Hifikepunye Pohamba of Namibia; and President Mamadou Tandja of Niger.

Remarks to Students From the Partnerships for Learning, Youth Exchange and Study

June 13, 2005

Nice and warm today, isn't it? I'm glad you're here. Almost a year living and studying in America—I hope you've come to realize this isn't my house; this is the people's house. And Laura and I are just temporary residents here. That's how democracy works.

I really think you're part of an important program that is bringing students from Muslim countries to the United States. I think it's important, and I hope you think it's important too. I'm amazed by the number of countries represented amongst you all: Afghanistan, Iraq, Jordan, Kuwait, Lebanon, Morocco, Oman, Pakistan, Syria, Tunisia, Yemen, West Bank, Gaza, Arab communities in Israel. You represent a lot of countries and a lot of people. Here's what I think. I think your generation is going to help shape one of the most exciting periods of history in the broader Middle East and the world. It's a period of time when the hope of liberty is spreading to millions.

And I've heard your stories, and people who know your program have talked to me about your experiences and your attitudes.

So let me make a prediction, that I should be able to say to the world, I have confidence in the spread of freedom because there's a young group of people who love freedom and want to do something about seeing freedom spread. That's what I think.

I'm really pleased that Dina Powell is here. Dina is the—Egyptian American, by the way—she ran the Presidential personnel department. In other words, she's the person that brought names to me that would serve in our Government. It's a pretty powerful position, when you think about it. I nominated her to be the Assistant Secretary of State for Educational and Cultural Affairs. That's a big job here in America. I'm going to miss her in the White House, but our country will be well-served by her serving in the State Department.

I appreciate the staff of the Department of State Bureau for Educational and Cultural Affairs. I want to thank the representatives from AYUSA for being here. And I appreciate the representatives from the Close Up Foundation for coming. I want to thank your chaperones for being here as well, caring adults, people who want you to enjoy your experience here in America.

The American people probably don't know this program well, so I'm going to say some things that's obvious to you. First, you've been here for 10 months, and secondly, you've attended American high schools, and you've stayed with American families, and you made American friends, which means that you have made contributions. You've contributed to better understanding.

You've also done some interesting things. I've been told you volunteered in local charities. You found out one of the great strengths of this country is the fact that people volunteer to make somebody else's life better. We all got hearts and care deeply about a neighbor in need, and there's a universal call in the Good Books throughout the world that says, "Love a neighbor like you'd like to be loved yourself." And I understand some of you did that, and I want to thank you for contributing to our country.

I want to thank you for teaching—being teachers, just by telling people your life story. It really wasn't all that hard to be a good teacher, was it—say, "Here's how I was raised," and "Here's what I believe," and "Here's what my culture is like," and "Here's what my faith teaches me." So, thanks for being a teacher as well as a helper.

I know there's a student here who went to Grayling High School in Michigan, Abdul Rahman. He's from Syria. He took on a special project. He decided—and I'm sure maybe some of you all did the same thing during the holy month of Ramadan—explained to students what that means. A lot of kids your age here in this country really aren't sure what Ramadan means, and it's important for them to understand what Ramadan means. And so Abdul—here's what he said. He said, "When I got to one of my classes on the first day of Ramadan, I was totally amazed. There were signs everywhere in the class saying 'Happy Ramadan, Abdul.' Some students even tried to fast with me on the first day."

Getting a high school kid in America to fast is kind of hard to do. [*Laughter*] But the point there of the story is, somebody—some kids in that high school class have a better understanding of a different culture.

Many of you have shown young Americans how Islam inspires you to live, to lead lives based on honesty and justice and compassion. Because you came to this country, thousands of Americans better understand your faith and your heritage, and that's really important. So I want to thank you. I want to thank you for reaching out. I want to thank you for taking a little bit of a risk. It's not easy to come to a foreign country, is it, to leave home. It must be kind of hard—you say, "Well, I can't imagine what it's going to be like to go to school in America and be teamed up with a family I've never met before." And so you were

risktakers for the sake of understanding and world peace, and I want to thank you for that.

I suspect during your stay here, you came across Americans who hail from your home countries. If you didn't, it's only because you didn't get enough exposure, because I can assure you, for every country represented here, there are hundreds of Americans—at least hundreds of Americans from your native land, men and women who came to America because they know this is a land where hard work will be rewarded, where faith will be respected, and where cultural heritage will be valued.

Maria—a young girl named Maria from Pakistan—I don't think she's here with us today—put it well in an essay she wrote about her experience. There's some Americans who may be watching this on TV now, and I want them to hear what Maria wrote. She says, "The very important thing I learned about America is that it's a melting pot where you can find the world in one place living together. I really appreciate this." She said, "Now if someone says anything negative about America, I would stand up, because I love America." That's one of the lessons she learned about her trip here.

I don't know if you—I guess you all were here during the Presidential election. It must have been an interesting experience for you. It was certainly an interesting one for me. [*Laughter*] You got to see candidates travel the country asking for the vote, working day in and day out, in my case, saying to the people, "I got something to do," in my opponent's case—my opponents' cases, saying, "I think I can do a better job than old George W." But that's what democracy is about. It's about understanding the boss; in our form of government, the people decide. And that's a form of government that's healthy and good.

I know some of you got involved in the campaign. Cowtar from Morocco volunteered on election day, helping make sure Oregon voters had rides to the polls. And I want to thank you for participating. I was told that a fellow named Butan from Iraq, who's with us, actually volunteered at a local political headquarters in the State of Pennsylvania. I hope you found that an exciting experience. It's called grassroots politics. It probably doesn't translate very well in some of your native tongues, but it means getting involved at the local level to convince people to participate in the democratic process.

We're seeing the democracy campaigns like the one I went through taking place now in other parts of the world. I mean, Afghanistan had a vote. It was a fantastic experience for a lot of people—folks. And I know some of you lived under the clutches of the Taliban. It must have been an incredibly refreshing experience to be able to go and express yourself at the polls, say, "This is what I think. This is my opinion, not the opinion of tyrants, but this is my opinion." And it's the collective opinion of thousands which decided the fate of that country.

People in Iraq voted. People in that country defied the car bombers, the suiciders, the killers, those who fear freedom, and said, "I'm going to go to the polls, no matter what the risk is." Democracy is on the march. Freedom is on the march. And I'm convinced we're just seeing the beginnings of it, and the world is going to be more peaceful because of it.

I know you're looking forward to going home. But when you get home, I hope you remind people about what you found here, that the people of this country care deeply about others, that we respect religion, that we believe in human rights and human dignity, that we believe every person has worth, and that we do want to have a world that's more peaceful and more free.

I hope you go home and say that Americans are proud of watching the progress that is being made, of people assuming liberty. One of the lessons I hope you share with the people back home, your buddies

and your families, is that we understand that it's hard to go from tyranny to freedom. We had a little trouble on our own. If you've studied American history, you'll realize that our path to democracy wasn't all that smooth. In other words, we had setbacks and hard work to try to achieve as good a government as we can possibly have. It's hard work. It's really hard work.

I hope when you go home, you explain to people that we understand that the form of democracy your country takes will reflect your values and your history, not American values and American history. In other words, we love the concept of people being free. We believe democracy is the best form of government, but we fully understand that it's got to be a democracy that suits the needs of the people in the countries from which you're from.

I believe freedom is universal. I don't believe freedom is America's gift to the world. I believe there's an Almighty God who speaks to different faiths, and I believe freedom is a gift from that Almighty. And that's why I'm so confident and optimistic that freedom will prevail.

I hope you realize the impact you've made on some people. A lot of people—you know, there's such a thing called "word-of-mouth." People get talking, "I met so-and-so. I met old Abdul. He seemed like a good fellow to me." And the word gets out about the values that you brought to America. There's a lot of people here in this country, now when they start thinking about the Middle East, they're going to think about it differently because of the impact you've had on them, because you were willing to share your culture and your way of life.

I hope you look at yourself as bridge builders. And as importantly, I hope you look at this experience as the beginning of a journey that will—in which you'll become leaders. You know, old guys like me will be moving on, but someday—I plan to live for quite a while—someday, I hope to turn on my TV and see you standing up leading your country or talking about human rights and minority rights and human dignity in the countries where you're from. I hope you understand that you have a fantastic opportunity to make a difference. You've already made a difference here in America. And with this experience, go home and continue making differences.

By the way, if you feel like going to college, come back. We've got some great universities here. We want people from all around the world coming to our universities. Tell your buddies, your friends and neighbors, to think about coming to America to go to university. The more exchanges there are of people of like age, the better off the world will be.

Anyway, welcome to the Rose Garden. I hope you loved our country. I hope you enjoyed your experience. I hope you come back. In the meantime, I ask for God's blessings on you all and your families and the peoples of your country. Thank you for being here. Thank you all.

NOTE: The President spoke at 1 p.m. in the Rose Garden at the White House.

Letter to the Speaker of the House of Representatives Transmitting Budget Amendments
June 13, 2005

Dear Mr. Speaker:

I ask the Congress to consider the enclosed FY 2006 budget amendments for the Department of Justice and the General Services Administration. In addition, this transmittal contains FY 2006 budget amendments for the Legislative and Judicial Branches. As a matter of comity, appropriations requests of the Legislative and Judicial Branches are commonly transmitted without change.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

GEORGE W. BUSH

NOTE: This letter was released by the Office of the Press Secretary on June 14.

Remarks on Strengthening Social Security in University Park, Pennsylvania
June 14, 2005

The President. Mr. President, thanks for the great introduction, and thanks for having me. It's an honor to be here at Penn State University, one of the great universities in our country. I want to thank the president of this fine university, President Spanier, for having us. Thank you for letting me come here on this beautiful campus.

Guess what happened? There was a pretty famous person at the airport today. [*Laughter*] And so I said, "Why don't you ride over to the college campus with me here, the university campus. I need a briefing on what's going on." And Joe Paterno kindly agreed to travel with me. I said, "Let's talk football." He said, "Why don't you tell me what's going on in Washington." [*Laughter*] I tell you one thing about Joe Paterno; there's no more decent fellow on the face of the Earth—what a man who sets high standards. He loves his family. He loves this university. He loves his country, and my mother and dad love him. Coach, thanks for coming, proud you're here.

I appreciate the FFA a lot. I appreciate the fact that the Pennsylvania FFA has made a table for the Crawford, Texas, FFA. I'm looking forward to telling the folks there at Crawford how decent the good folks here are in Pennsylvania. I really want to thank you for that gesture. I bet they like that table. I'm a little disappointed you didn't make the table for me. [*Laughter*]

But thanks for what you—thanks for the example you have set. Thanks for understanding the importance of values. I mean, one thing that's really important about our farming communities all across the country is that in our farming communities you find the values of hard work, faith, love of family, and love of our country. And I want to thank you all for carrying on that tradition of carrying those values.

I'm sorry my wife isn't here.

Audience members. Aw-w-w!

The President. Yes, I know, most people are sorry—[*laughter*]—she's not here instead of me. But she is doing great. I'm a lucky man when Laura said, "I do." She

is a fabulous First Lady, a great mom, and a great wife. And she sends her very best.

I want to thank the Governor of the great State of Pennsylvania for joining us today, Governor Rendell. I'm proud you're here, and thank you for serving.

I am traveling with members of the mighty Pennsylvania congressional delegation. First, Senator Arlen Specter—I appreciate you being here, Mr. Chairman. Senator Specter is battling cancer with incredible courage, and I appreciate your allegiance. I'm proud to be with Senator Rick Santorum, a graduate of Penn State University. Congressman John Peterson from this area. John, thank you for joining us.

Dennis Wolff, the secretary of agriculture from Pennsylvania, I appreciate you being here, Dennis. I want to thank Chris Herr, the president of the Pennsylvania FFA Foundation. I want to thank Mike Brammer, the executive manager. Most of all, I want to thank you all for letting me come by.

You know, when I landed, I met another person, named Mickey Peters. The reason I bring up Mickey is she is a volunteer with the Centre County Cooperative Extension 4–H program. She has been a volunteer for more than 40 years and helping instill values and reminding all of us that we have a commitment to serve our respective communities. The reason I bring up Mickey is because, if you're interested in serving your country, your State, or your community, volunteer. See, the great strength of this country lies in the hearts and souls of our citizens. If you want to truly be a patriot in America, feed the hungry; find shelter for the homeless; love a neighbor just like you'd like to be loved yourself. Mickey, thank you for coming, and thank you for the example you have set.

I am particularly grateful to come to speak to younger Americans and a few older ones here I see scattered around. [*Laughter*] We're living in historic times. These are amazing times. And I hope you're as excited about them as I am. I wish I could tell you this wasn't the truth—the case, but the case is, we're still fighting the war against terrorists. It's a different kind of war. But it's a necessary war, because our most solemn duty is to protect the homeland.

Our strategy is clear: We will stay on the offensive against the enemy. We will find them where they hide. We will bring them to justice. We will defeat them in foreign lands so we do not have to face them here at home. And for those of you with a relative in the United States military, I want you to do me a favor and thank them on behalf of the Commander in Chief, but more importantly, thank them on behalf of a grateful nation for their sacrifice and service.

The second part of our strategy to defeat terror, to spread the peace, is to spread liberty, is to help those courageous souls who demand the God-given right to live in a free society. Freedom is on the march around the world now. We're living in amazing times when millions of people in Afghanistan, when given a chance, went to the polls to say, "We want to live in a free society." Freedom is on the march in places like Lebanon and Ukraine. Freedom has taken hold in Georgia. Freedom has taken hold in Lebanon. Freedom has taken hold in Iraq, where 8.5 million citizens defied suiciders and killers to say with a loud voice to the world, "We want to be free." And a free society is a necessary part of spreading the peace.

So as you watch the dramatic changes taking place in the world, keep in mind we're laying the foundation for a peaceful world, a world in which boys and girls from all cultures and all countries can realize their dreams, can live in a free society. There's no doubt in my mind this world will be better off as freedom spreads. And I'm proud that the United States of America is taking the lead in spreading democracy and freedom around the world.

There are dramatic times here at home. As you know, there are dramatic changes

in agriculture taking place. Now, farming is still the first industry in America. It is a luxury that we live in a country that can feed ourselves, and we need to keep it that way. The American agriculture is diverse, and it's a complex industry, where family farmers are CEOs, where the occupations in agriculture run from engineering and food science to business management and to biotechnology. Which says to me, you better take advantage of the educations you got. Which says, you got to learn, you got to set high standards and work hard, read more than you watch TV, take your teachers seriously because you're going to need a good education in order to be able to compete in this world.

We started our—we made good progress for the agriculture community by this farm bill I was honored to sign 3 years ago. This is a farm bill that provided a strong safety net for our farmers. It allows farmers and ranchers to plan and to operate based upon market realities, not Government dictates. You see, we tried to reduce Government interference in the agricultural market and, at the same time, create incentives for sound conservation practices. The bill I signed and the Congress passed has helped strengthen the farm economy and promoted independence by our farmers and helped preserve the farming way of life. And now we've got to build on the successes.

I've got a good man as the Secretary of Agriculture in Mike Johanns. He actually grew up on a farm. Some of you will be pleased to hear he grew up on a dairy farm. He's going to be speaking to an FFA group in Illinois. He's going to be listening to farmers and ranchers all across our country as we prepare for a new farm bill. But one thing is for certain—he doesn't need to travel the country for me to understand this: In order for the agricultural sector of America to be strong, we got to keep your taxes low.

The tax relief we passed has helped our economy overcome a lot of challenges. The small-business sector is strong today because small businesses are paying fewer Federal taxes. The entrepreneurial spirit is strong today because of the tax relief. More people are working today in America than ever before in our Nation's history. The national unemployment rate is 5.1 percent. We're making good progress. But in order to make sure this progress continues, Congress needs to make the tax relief we passed permanent.

And speaking about tax relief, in order to make sure our farms stay within our farming families, we need to get rid of the death tax once and for all. It makes no sense to tax a person's assets twice, once while they're living and again after they die. For the sake of family farmers, Congress needs to get rid of the death tax forever.

To keep agriculture strong, to make sure these good folks have a chance to make a good living in the agricultural sector, we need to continue to open up new markets abroad. I always told the American people, "If you're good at something, let's promote it." We're really good at growing things, so why don't we grow things and sell them abroad? I mean, we've got enough food to feed ourselves, so it seems like to me to be a good strategy to open up markets so others can buy our crops, our soybeans and our corn, our products we grow right here at home.

My administration supports trade initiatives that level the playing field, and one such initiative is the Central American Dominican Republic Free Trade Agreement, which is coming before the United States Senate and the House of Representatives. Let me tell you why I think this is a good deal for all Americans as well as our farmers and ranchers. Right now the United States is open to more than 80 percent of the goods being sold out of Central America into our own markets, and yet 80 percent of our goods don't have equal access to their markets, markets of about 44 million people. Catch this: The United

States is already open to more than 99 percent of Central America's agricultural products. In other words, we've opened up our market, but our farm exports to Central America are losing ground every day to third countries that have got trade deals with these nations.

As your President, it seems like to make sense to me to say, "If we treat you this way, you treat us"—that's what fair trade is all about. By opening up Central American markets, it will help our farmers. The American Farm Bureau Federation estimates that CAFTA could boost our agricultural exports by $1.5 billion, when fully implemented. For the sake of fairness and for the sake of the agricultural economy, the United States Congress needs to pass the CAFTA trade agreement now.

To keep American agriculture strong, we need to ensure that all Americans have access to affordable, reliable, and secure supplies of energy. You know, when I first came to Washington, DC, nearly 4 years ago—a little over 4 years ago—I knew we had a problem with energy. See, we're too dependent on foreign sources of energy. So we developed a strategy that would make us less dependent on foreign sources of energy. And by the way, one reason why you're seeing your gasoline prices go up, why farmers are paying higher fertilizer prices, why it costs more to fill your tractor, is because we're dependent on foreign sources of energy.

And so I said to the United States Congress, "Why don't we get wise about our energy policy." Why don't we do things differently. Why don't we encourage conservation. Why don't we make sure we spend money so we can have clean coal technology, so we can use the coal resources of a State like Pennsylvania in our electricity plants that has zero emissions. Why don't we continue research and development, so we can use soybeans or corn to develop new sources of energy.

I was at a plant the other day in Virginia. It was a soy diesel refinery. They're taking crops grown right here in America, putting them in the refinery, and out comes a fuel that we can use in diesel engines.

We need to be using clean, safe nuclear power. We need to make sure that the United States of America diversifies away from a hydrocarbon society so we're no longer dependent on foreign sources of energy. The House has passed a bill. The Senate will have the bill on the floor. This Congress needs to stop debating energy policy and get a bill to my desk before the August recess break.

Now, I want to talk about one other subject that the young here need to pay attention to, and that's the Social Security issue. First, you know, some people have said to me in Washington, "Why did you bring it up? Why did you talk about such a politically difficult subject?" Well, here's why. I think there's a problem. I'm about to explain why there is a problem. But I also know what the nature of the job of the Presidency is. The job of the President is to confront problems and not pass those problems on to future Presidents and future Congresses. The easy path is to do nothing. That's the easy political path. The tough path is to come together and get something done. But let me tell you something: By doing nothing, you're about to hear that we will have done a disservice to a younger group of Americans coming up.

Franklin Roosevelt did a wise thing when he created the Social Security system. Social Security has been an important safety net for a lot of seniors. And for seniors receiving a check today, I want to assure you you're going to continue to get your check. The system is solvent for our seniors. You have nothing to worry about. I know all the political ads and the propaganda. I'm sure, Governor, you've had to put up with that occasionally. But the truth is—the truth is, if you're born prior to 1950, you're going to get your check. I don't care what the politicians say.

Here's the problem. The problem exists for a young generation of Americans. And the reason why is there are a bunch of people getting ready to retire. We're called baby boomers. I'm one. I was born in 1946. I reach retirement age in 2008. It's a convenient year for me to reach retirement age. [*Laughter*] The problem is there's a lot of people like me getting ready to retire. Do you realize today there are about 40 million retirees receiving benefits? By the time the baby boomers retire, there's going to be about 72 million of us receiving benefits. We got a whole lot of people getting ready to retire.

And we're living longer. My generation will live longer than the previous generation. Coach Paterno said, "Are you exercising a lot, Mr. President?" I said, "All the time, Coach. I'm trying to live longer than the previous generation."

And not only that, but when people were running for Congress in previous years, they'd say, "Vote for me. I'll make sure your benefits go up faster than the rate of inflation." And that's what happened. That's one of those political promises that was kept. So you've got a lot of baby boomers like me, a whole lot of us, going to be living longer, getting greater benefits than the previous generation, which is all fine and good until you realize the other half of the equation.

Now, in 1950, early fifties, there was about 16 workers for every beneficiary, which meant the load wasn't all that heavy when you're paying your payroll tax to take care of a beneficiary. Today, there's 3.3 workers per beneficiary. When a lot of these kids get older, there's going to be 2 workers per beneficiary. You've got fewer workers, fewer people taking care of people like me who will be living longer and receiving greater benefits. And that's the problem.

In 2017, there will be more money going out than coming in. And every year thereafter, it gets worse. In 2027, there will be about a $200-billion-a-year shortfall. And it gets worse until finally, 2041, the system would be bankrupt.

So we're looking at a bankrupt system for younger workers. We're asking younger workers to pay payroll tax, to pay hard-earned money into a system that's going broke. That doesn't seem right to me. That doesn't seem fair, to know the facts and not do something about it. And so that's why I went in front of the United States Congress and I said, "We've got a problem. The problem—the facts are irrefutable, and now we need to do something about it." I said, "Why don't we get rid of all the partisan bickering in Washington, DC, and come together for the good of a generation of people coming up."

I believe I have more—a responsibility more than just bringing the problem out there. And so I have talked about solutions, and I'd like to share some of my thoughts with you. First, a reformed system—now, remember, if you're getting your check, I'm not talking to you. Nothing changes for people receiving their checks. I met a lot of grandmothers and grandfathers who kind of went, "Thank goodness, I'm going to get my check." And then, you know what the next question is? They say, "What are you going to do about my grandkids, Mr. President? What do you and the Congress intend to do about a group of youngsters getting ready to go into the workplace?" So I said, "The first we got to do in a reformed system is to say to future generations, 'You'll receive benefits equal to or greater than the benefits today's seniors get.' " Seems to make sense to me.

Secondly, I said a reformed system must reassure future generations that those who depend most on Social Security will have the most protection in their retirement. In other words, I don't believe anybody ought to retire into poverty. I don't believe we ought to have a system where somebody is working all their life, and then they get a check, and it keeps them in poverty. That doesn't make sense to me.

And so I've adopted the idea put out by a Democrat named Robert Pozen. I think Mr. Pozen has got a good idea, and here's what it says. It says that the Social Security checks for the highest 1 percent of Americans will remain the same in today's dollars as the checks received by beneficiaries today. It means no cut in benefits to the upper 1 percent. The other 99 percent of American workers will get bigger checks in today's dollars than the current retirees, which means an increase in benefits. The top 1 percent earners would have their benefits go up at the cost of living. The lower income Americans would have their benefits go up with wages, and it would be scaled in between. And that's important because, you see, if Congress were just to adopt that part of the proposal, it would solve, by far, the biggest problem we face in funding Social Security for the out-years.

Now, it takes other measures, and I want to work with Republicans and Democrats to look at other ways to make the system permanently fixed.

We've got some folks here that are dairy farmers. Jeff Grove, and his son, Caleb, are with us. Jeff is a third-generation dairy farmer. Caleb will start his first year with FFA this fall in Shippensburg, Pennsylvania. Jeff and his brother, Jay, run the family farm. By the way, their mom, Anna, is here. Boys, listen to your mother.

Caleb wants to join the family business when he's finished school. If he chooses to, Jeff could retire at 65 and start drawing benefits in 2021. Under a system with progressive indexing, he could expect a benefit of over $12,000 a year in today's dollars—today's dollars—compared to about $11,000 in today's dollars for a similar worker. In other words, the program would be beneficial to Jeff. That means after adjusting for inflation, his benefits would be 10 percent higher.

What I'm trying to do is to tell you the system that Mr. Pozen has proposed goes a long way toward fixing the system, but it's a good deal for people paying into the system today.

If Caleb turns out to be a farmer just like his dad, he can expect an annual benefit of more than $15,700 in today's dollars. In other words, the system helps us achieve what we want, permanent solvency and to say you're not going to retire into poverty. That makes sense. Under the reform proposed by Mr. Pozen, 99 percent of Americans will see their benefits grow, and no one's benefits will be cut.

It's important for Congress, if they've got a better idea, to bring it up. If you think you can do better in solving this problem, I don't care whether you're a Republican or a Democrat, put your ideas on the table. That's why they sent you to Washington, DC, in the first place.

So, I've got some ideas to permanently solve the Social Security deficit and the problem, so we can say to youngsters, "When you work and pay something into the payroll system, there will be something for you when you retire." And I've got another idea that I want Congress to consider, and that I want people in this country to listen to carefully. And it's to make sure the system is a better deal for younger workers.

Now, first, let me describe how Social Security actually works. It's called a pay-as-you-go system. You work hard, and you pay through payroll taxes, and we go ahead and spend. We spend on the benefits for retirees, and then, with the money left over, we spend on programs. See, some people think, well, the Social Security system is one where we take your money, and we hold it for you, and then when you retire, we give it back. That's not the way it works. You pay. We pay out the money for the retirees, and the money left over—see, there's money left over until 2017—it goes ahead and funds all the different programs of Government. And do you know what's left behind? Paper, IOUs

in a file cabinet in West Virginia. [*Laughter*] Those are the assets of the Social Security system.

In order to make sure there's real assets in Social Security, I think we ought to allow younger workers, if they so choose, to take some of their own payroll taxes and set up a voluntary personal savings account. I think it makes sense to encourage people to build a nest egg they call their own—by the way, a nest egg the Government cannot take away, a nest egg the Government can't take and spend on programs that they like.

I'll tell you why it makes sense to allow younger workers to take some of their own money as a part of a Social Security system, if that's what they so choose, is because people can get a pretty good rate of return on a conservative mix of stocks and bonds or a portfolio of bonds only. A conservative mix of stocks and bonds can yield you 4.6 percent. By the way, you get about 1.8 percent on your money in the Government. It's a lousy rate of return compared to what a conservative mix of bonds and stocks will get you.

And the important thing about earning 4.6 percent is that over time, your money compounds. It grows, and that's important. If you're a youngster and you start saving some of your own payroll taxes—and I say, by "some of your own payroll taxes," sometimes if you listen to the rhetoric in Washington, it sounds like the people there believe the payroll tax is the Government's money. It's not the Government's money; it's the people's money. The people are working hard for that money.

Let me just give you an example. Suppose one of your brothers or sisters becomes a farmer and marries a food scientist, and they earn typical wages from both those professions. And you enter the workforce in 2011, and you work your entire career. And you're allowed to put a third of your payroll taxes aside, and it grows at 4.6 percent and compounds over time. By the time you retire, you'll have a nest egg of $570,000—your money. It's a part of a Social Security system. It would supplement your Social Security checks, but it's your money. No one can take it away from you. It's your money. It's money you can pass on to whomever you choose. And that's an important part of an ownership society in America.

It's important—let me tell you—let me give you an example of the Social Security system today that I think is patently unfair. You've got two folks working in their family. One of them dies before age 62. You know what the Government pays? Burial benefits, period. And then when the other spouse reaches a retirement age, he or she gets to choose the benefits from her work or his work or the spouse's work, which is ever higher, but not both. In other words, the way the system works today, you've worked all your life, and you predecease your spouse, and the spouse's benefits are greater than yours would have been, the money you earned just goes away.

That doesn't seem fair to me, that you've got Americans all across the country working hard to put bread on the table, and they get a bad break, and they die early, and the money they've contributed to the Social Security system just isn't around for the surviving spouse.

It seems like to me it makes sense to let workers, if they so choose, to take some of their own money and put it aside in a personal savings account. And if something bad happens, like early death, there would be some assets for the surviving spouse, assets he or she could live on to help the family, assets to help with the grief, and assets to make their life better in retirement.

No, the idea of giving younger workers the ability to take some of their own money and set it aside so they can watch their money grow is an idea that's already taken hold here in America. Some of us older guys, like Specter and Rendell and others here, when we were coming up, we weren't

sure what a 401(k) was. There weren't any. We didn't know what IRAs were in those days. There's a whole investor class of people growing up in America, people who are used to watching their money grow. And it seems to make sense to me to make sure a modernized, reformed Social Security system for a young generation of Americans ought to incorporate this idea, if that's what they choose to do, as a part of a modern retirement system.

This isn't a new idea, by the way, in Washington, DC. I think you'll find this interesting—at least I certainly did when I started looking in on the issue—is that the United States Congress has set up what is called a Thrift Savings Plan. It's a plan that lets United States Senators and Members of the House of Representatives set aside some of their own money in a conservative mix of bonds and stocks. You know what I think? I think if that plan is good enough for Members of the United States Congress, it's good enough for workers all across America.

I've come today to tell you that there are some of us in Washington, DC, who do not want to leave you saddled with a retirement system that's going broke, that we realize we have an obligation to address this problem. I'm enjoying traveling the country talking about the Social Security issue. It gives me a chance to get out of Washington, gives me a chance to remind the skeptics and critics that there are people in Washington, DC, who care about the common good, that care about addressing problems. There are people in that Nation's Capital that have gone there for the right reason, to focus on the people's business and to come up with solutions, so that when it's all said and done, no matter what your party might be, we can say, "Job well done. We came to Washington—we didn't spend a lifetime there—we worked hard, and we did the people's business."

I'm going to continue working this issue, State after State after State. I'm going to continue to call upon the United States Congress, members of both political parties, to stand up, to do what's right for a young generation of Americans coming up, to fix this Social Security system once and for all so a young generation of Americans will have that same sense of security that previous generations had when it came time for them to retire.

There's no doubt in my mind, we're going to get this job done. And if you're interested in the subject, pay attention. Call your elected Representatives. The voice of the people can determine what takes place in Washington, DC.

I want to thank you all for giving me a chance to come by and visit with you. I want to thank the members of the FFA for being leaders, for making right choices, for setting high standards, for setting the example, and for serving the communities in which you live. May God bless you all, and may God continue to bless our country.

NOTE: The President spoke at 1:54 p.m. in Eisenhower Auditorium at Pennsylvania State University. In his remarks, he referred to Graham Spanier, president, and Joe Paterno, head football coach, Pennsylvania State University; Gov. Edward G. Rendell of Pennsylvania; and Robert C. Pozen, former member, President's Commission to Strengthen Social Security. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Statement on Senate Confirmation of Thomas B. Griffith as a United States Court of Appeals Judge for the District of Columbia Circuit
June 14, 2005

I commend the Senate for confirming Tom Griffith to the United States Court of Appeals for the District of Columbia Circuit. Tom is an accomplished and experienced lawyer who will bring a broad range of legal experience to the court. He has served in the important post of Senate Legal Counsel, as general counsel at a major university, and in private practice. I look forward to the Senate's prompt consideration and up-or-down votes for my other judicial nominees.

Remarks at the President's Dinner
June 14, 2005

Thank you all for coming. Thank you for the warm reception. Thank you all. Thanks for coming. It's nice to have dinner with a group of friends. I appreciate you all coming here. This is a very important dinner because, through your generosity, we're going to keep control of the Senate and the House, and America will be better off for it.

I really appreciate you being here. I am sorry that the First Lady is not here. She sends her love. Generally when I say that, people groan, and I take it to mean they wish she'd have come and not me. I understand that. I'll tell you something about Laura. She's quite the comedienne, quite the diplomat. She's a heck of a First Lady and a great wife and mom. I love her dearly.

I want to thank Senator Lamar Alexander for his leadership on this incredibly successful dinner. I appreciate Speaker Denny Hastert. He is one fine man. He's a great Speaker of the House. And through your generosity, he's going to stay Speaker of the House. I want to thank the majority leader of the United States Senate, Bill Frist. He too is a great leader, and I appreciate calling him friend.

I want to thank Senator Elizabeth Dole, who is the NRSC chairman; Congressman Tom Reynolds, the NRCC chairman. Those are initials for, like, let's raise money and get the Senate in Republican—keep the Senate in Republican hands and House in Republican hands. Thank you for supporting these causes.

I want to thank the Members of the Senate and Congress for working so hard. I want to thank the Members of the—all the Members of the Congress who've joined us tonight. I appreciate the members of my Cabinet who are here.

I want to pay special tribute to the Republican National Committee chairman, Ken Mehlman, for the fantastic job he's doing on reaching out to people from all walks of life. I want to thank the President's Dinner leadership, especially Ken Thompson and his wife, Kathylee, for the fantastic job you all have done and everybody up here has done. I want to thank the Duke Ellington School of the Arts Show Choir for being here today.

I'm proud to be the head of a party that has a positive and hopeful and optimistic vision for every single person who lives in this country. And I'm proud to be a head of a party that is driving the debate on all the key domestic and foreign policy issues. Because of our achievements, the American people see us as the party of

reform and optimism and results, the party that is moving this Nation forward.

All of us in Washington have a duty to the people who sent us here. Political parties can take one of two approaches. One approach is to lead, to focus on the people's business, to take on the tough problems. And that is exactly what our party's done.

The other approach is to simply do nothing, to delay solutions, obstruct progress, refuse to take responsibility. Members of the other party have worked with us to achieve important reforms on some issues. Yet too often, their leadership prefers to block the ideas of others. We hear "no" to making tax relief permanent. We hear "no" to Social Security reform. We hear "no" to confirming Federal judges. We hear "no" to a highly qualified U.N. Ambassador. We hear "no" to medical liability reform. On issue after issue, they stand for nothing except obstruction, and this is not leadership. It is the philosophy of the stop sign, the agenda of the roadblock, and our country and our children deserve better.

Political parties that choose the path of obstruction will not gain the trust of the American people. If leaders of the other party have innovative ideas, let's hear them. But if they have no ideas or policies except obstruction, they should step aside and let others lead.

We're a party that's gotten things done. Because we acted to pass the largest tax relief in a generation, our economy is growing again. We've created more than 3.5 million new jobs during the last 2 years. More Americans are working today than ever before in our Nation's history.

To keep this economy growing and creating jobs, we need to make the tax relief permanent. We need to get rid of the death tax forever. And we can do something else about taxes. I've appointed a bipartisan panel to examine our incoherent, out-of-date Tax Code. When their recommendations are delivered, I'm looking forward to working with the United States Congress to give this Nation a Tax Code that is progrowth, easy to understand, and fair to all.

Our party is the party of economic growth, and our party is the party of spending restraint. I've submitted the first budget to actually cut nonsecurity discretionary spending since Ronald Reagan was the President. Now the Congress needs to act to hold nondiscretionary spending below last year's level. The budget we submitted adheres to an interesting principle. It says taxpayers' money should be spent wisely or not spent at all.

We need to have a fiscally responsible highway bill that modernizes our roads and bridges and improves safety and creates jobs. We're on our way to cutting this deficit in half in 5 years, and I want to thank the Members of Congress for holding the line and doing what's right for the American taxpayer.

In order to make sure this economy grows, we need an energy bill. Four years ago, I presented Congress with a comprehensive energy strategy that encourages conservation, renewable sources of energy like ethanol and biodiesel, that says we can use nuclear energy in a clean way, that recognizes the need to spend money on clean coal technology. It's an energy plan that will make us less dependent on foreign sources of energy. For the sake of national security and for the sake of economic security, Congress needs to get a bill to my desk before the August recess.

We're proudly the party of free and fair trade. During my administration and thanks to the good works of Congress, we've opened up markets for millions of consumers of U.S. products. And now we have an opportunity to continue to open up new markets with CAFTA, the Central American and Dominican Republic Free Trade act. Right now most of the goods coming from the Central American countries enter into our country duty-free. Yet our goods are not received in their countries duty-free. For the sake of free trade, for the sake of fair trade, for the sake of good

jobs, for the sake of promoting young democracies in Central America, Congress must pass CAFTA.

Ours is the party of the entrepreneur and small business. Ours is the party of litigation reform. We're the party that continues to free our entrepreneurs from needless regulations and protect honest job creators from junk lawsuits. I applaud the Speaker and the leader for getting bipartisan class-action reform and bankruptcy reform through the Congress. Now we need asbestos litigation reform. And to stop junk lawsuits that are running good doctors out of practice and running up the cost of medicine, we need Federal medical liability reform.

Ours is the party that challenges the soft bigotry of low expectations, that worked to stop the practice of just shuffling kids through school, grade after grade, without them being able to read and write. Ours is the party that set high standards, believes in local control of schools, and insists that every child learn to read and write, so no child is left behind in America.

We set a clear agenda to make health care more affordable and to give American families greater access to coverage and more control over their health decisions. In 2003, we strengthened Medicare by giving seniors more choices and adding a prescription drug benefit. We have kept our commitment to our Nation's seniors, and now we must move forward with more community health centers to help the poor, improved health information technology, expanded health savings accounts and association health plans, so that small businesses can pool risk and buy insurance at the same discount that big companies are able to do.

Ours is the party that set the goal to encourage ownership in America. We want more people owning their own business. I'm proud to report more people own a home than ever before in our Nation's history, and more minority families are owning a home today than ever before.

We need to expand ownership to our retirement system. Recently, I've been spending time talking about an important issue, and that's Social Security reform. And the reason I have is because I believe the job of the President is to confront problems and not pass them on to future Presidents and future generations. We've got a problem when it comes to Social Security. No, you don't have a problem if you're getting your check now or if you were born prior to 1950. You'll get your check. The problem is for a younger generation of Americans who are paying payroll taxes or getting ready to pay payroll taxes into a system that is going broke.

Let me give you the math right quick, let you know why I'm talking about it all across the country. There's a lot of us getting ready to retire. We're called baby boomers. As a matter of fact, my retirement age is 2008—[*laughter*]—quite convenient. There are about 73 million baby boomers getting ready to retire. There are 40 million people retired today; another 33 million will be retired when the baby boomers fully retire. And we're living longer, and we've been promised greater benefits by Congress. And the real problem is there's fewer people paying into the system. Today, there's 3.3 workers per beneficiary. Soon, there will be two workers per beneficiary. In 2017, the system goes into the red. In 2027, it's $200 billion short. In 2041, it's bankrupt.

It is not right to sit here in Washington, DC, knowing the system is going bankrupt for younger Americans and not do anything about it. So I'm going to keep talking about it and keep putting ideas out. I've laid out some plans that would nearly fix all of the Social Security problem.

I'll tell you another idea we need to do is we need to give workers the option that Congress has given itself, and that is to be able to take some of their own money, some of their own payroll taxes and set it aside in a personal savings account they call their own, a personal savings account

that will let them earn a better rate of return on their money, a personal savings account they can leave to whomever they want, a personal savings account the Government cannot take away or spend on special programs.

Ours is the party that believes in ownership. We want to extend the so-called investor class to all walks of life. We believe everybody should have an asset they can call their own. And we have a fantastic opportunity to strengthen and save Social Security for a generation of Americans to come and to give more Americans the great pride of owning something they call their own. Congress needs to act on this issue. Strengthening Social Security requires honesty and courage, and the party I'm proud to lead will do our duty. Our children's retirement security is more important than partisan politics.

Our party will continue to support the faith-based and community groups that bring hope to harsh places. We'll continue to promote a culture of life in which every person is valued and every life has meaning. And we will defend the institution of marriage from being redefined forever by activist judges.

And speaking about judges, the American people made it clear they want judges who faithfully interpret the law, not legislate from the bench. I applaud Senator Frist and Senator Specter and Senator Hatch and other Members of the United States Senate in confirming some outstanding nominees who have waited a long time for a vote, Priscilla Owen and Janice Rogers Brown and Bill Pryor. I'll continue to urge the Senate to fulfill its constitutional responsibility by giving every judicial nominee an up-or-down vote on the Senate floor.

And speaking of confirmations, the Senate must promptly confirm John Bolton, my nominee to be our Ambassador to the United Nations, so we can get on with the business of reforming that institution.

My most solemn duty and the most solemn duty of those of us in Government here in Washington is to protect the American people. Our strategy is clear: We will be relentless; we will never tire in chasing down the terrorists; we will confront them abroad so we do not have to face them here at home.

We carried out the largest reorganization of Government in a half-century to form a single Department with a single mission, protecting America from attack. The tireless efforts of the men and women of the Department of Homeland Security and Federal and State and local first-responders—protecting our Nation and making this country more secure. And as they do so, they need to have all the tools to be able to help defend this country. And that is why I call upon the United States Congress to renew all the provisions of the PATRIOT Act.

The PATRIOT Act is an important piece of legislation. It gives those folks who are on the frontline of fighting terror the same tools, many of the same tools that are used to track down drug kingpins or tax cheats. If those tools are good enough to track down drug kingpins, they ought to be good enough in this war on terror to give to our law enforcement so we can better defend this country.

And we're making progress. Since September the 11th, 2001, we've closed down terrorist networks. We brought to justice many of the key leaders of Al Qaida. We're disrupting their finances. There is no place they can hide from the United States of America and our allies and friends.

The best way to secure this country in the long run, though, is to spread democracy and freedom. We believe everybody deserves to be free. We believe everybody has a deep desire in their heart to live in a free society. We believe mothers all around the world want to raise their children in a free and peaceful world.

And the people of Afghanistan showed clearly the desire of those who have lived under tyranny to take the risks necessary to live in a free society. Think about how

far that country has come in a brief period of time. We enforced doctrine that said, "If you harbor a terrorist, you're just as guilty as the terrorist." And by removing the Taliban, America and the free world are safer. But at the same time, we gave the Afghan people a chance to live in a free and democratic society. And for the first time in the history of that country, for the first time in thousands of years, millions of people went to the polls to vote. And the first voter was a 19-year-old girl in Afghanistan.

Freedom is on the march from the Ukraine to Afghanistan to the Palestinian Territory to Lebanon and to Iraq. By removing Saddam Hussein from power, America and the free world are safer. By removing Saddam Hussein from power, the people of Iraq have a chance to live in a free society. And the United States of America will stand squarely with that new democracy as it grows and flourishes and becomes a free society in the heart of the Middle East.

I know many of you here have got relatives and friends who are serving in the United States military. I can't tell you how proud I am to be the Commander in Chief of such a great group of folks. America is more secure, the world is more free, the foundations of peace are being laid because of the brave men and women who wear the uniform of the United States military.

The United States has a special obligation, in my view, to work with freedom fighters all around the world, to stand squarely with the reformers. I believe it's important for generations to come, because I understand that democracies don't fight each other, that democracies are the way to defeat hatred, that democracies provide the best hope for men and women around the world. There's no doubt in my mind the policies that this administration has taken will make the world more peaceful for generations to come.

The American people have entrusted us with the leadership of this great country at an historic moment. We've set big goals, and they're not always easy to achieve. Otherwise, they'd have been done already. But we're going to continue to be the party that sets the big goals, the party that's idealistic, the party of reform. We'll continue to lead, no matter how tough the challenge might be. You see, the American people have given us their trust. But the good news for the American people is, in our policies we trust them. We trust their values. We trust their judgment. We trust them with their own money. So long as we stay true to our values and our ideas, we will do what Americans have always done. We will build a better world for our children and our grandchildren.

It is such an honor to be the President of such a great nation. Thank you for coming tonight. May God bless your families, and may God continue to bless our country. Thank you all.

NOTE: The President spoke at 7:30 p.m. at the Washington Convention Center. In his remarks, he referred to Ken Thompson, dinner chairman, 2005 President's Dinner, and his wife, Kathylee Thompson; and former President Saddam Hussein of Iraq.

Remarks to the 16th Annual Energy Efficiency Forum
June 15, 2005

Thank you all. Thanks for the warm welcome. John, thanks for the introduction. Thanks for the invitation to be here for the 16th annual Energy Efficiency Forum.

It's an important forum. By advancing the national dialog on the future of energy, you're helping us support the cause of energy efficiency. And that's critical for our economy, and it's critical for the future of this Nation.

You see, increasing energy efficiency will help consumers save money. Increasing energy efficiency will leave American businesses with more capital, will make American businesses more competitive. Increasing energy efficiency will help reduce our energy consumption and to help us achieve a vital national goal, and that is making America less dependent on foreign sources of energy. And that's what I want to talk to you all about today, a strategy to make us less dependent on foreign sources of energy.

I want to thank John. I want to thank Bob Catell, who is the event host. He's the chairman of the United States Energy Association. I want to thank Betty Arndt. I want to thank Barry Worthington. Thank you both for setting this event up. I want to thank the Assistant Secretary, David Garman, of the Department of Energy, for being here. I appreciate Pat Wood, the FERC Chairman. Where are you, Pat? There he is, my fellow Texan. How many children you got now? [*Laughter*] Three, one on the way? [*Laughter*]

I want to thank your fellow commissioners—Commissioner Brownell, Commissioner Kelliher, Commissioner Kelly—for joining you all. Thank you all for coming. Thanks for serving. Appreciate what you do.

I'm optimistic about this country's future, and Americans have a reason to be optimistic as well. Over the last 2 years, we have added more than 3.5 million new jobs. More Americans are working today than ever before in our Nation's history. Homeownership in America is at an alltime high, and that's good. We want more people owning something in America. We want more small-business owners. We want more homeowners. I, personally, think it would be good for the country if people had more control over their retirement accounts.

Small businesses are flourishing. Factory output is growing. Exports are at their highest level ever. Families are taking home more of what they earn. Because of our policies, our economy is growing and creating more opportunity and increased prosperity for millions of citizens, and that's good news.

And to build on this success and to keep this economy growing. We need an affordable, reliable supply of energy, and that starts with pursuing policies to make prices reasonable at the pump. Today, millions of American families and small businesses are hurting because of high gasoline prices. If you're trying to meet a payroll or trying to meet a family budget, even small increases at the pump have a big impact on your bottom line. For the sake of American families and American workers, this country must take action now to deal with the causes of rising gasoline prices.

The primary cause of rising gasoline prices is that the global demand for oil is growing faster than global supply. Here in America, we have become too dependent—too dependent—on the increasingly limited supply of foreign oil for our own energy needs. For many years, most of the crude oil refined in American—into gasoline in America came from domestic oil fields. In 1985, 75 percent of the crude oil used in U.S. refineries came from American sources, only about 25 percent came from abroad. Today, that equation is nearly reversed. In a relatively quick period of time, only about 35 percent of the crude oil used in U.S. refineries is produced here at home—think about that—while about 65 percent comes from foreign countries like Saudi Arabia, Mexico, Venezuela, and Canada. To compound the problem, countries with rapidly growing economies like India and China are competing for more of the world oil supply, and that drives up the global price of oil, and that makes prices of gasoline here at home even higher for

our families and small businesses and farmers.

Our dependence on foreign oil is like a foreign tax on the American Dream, and that tax is growing every year. My administration is doing all we can to help ease the problem. We're encouraging oil-producing countries to maximize their production, so more crude oil is on the market to meet the demands of the world. And we're going to make sure that consumers here at home are treated fairly. There's not going to be any price gouging here in America.

But people got to understand our dependence on foreign oil didn't develop overnight, and it's not going to be fixed overnight. To solve the problem, our Nation needs a comprehensive energy policy. That's why one of the first things I did when I came to office 4 years ago was to develop a new energy strategy for America. And in my first months in office, I sent Congress a plan to put our Nation on the path to greater energy independence. For 4 years, the United States Congress has discussed and debated the plan with no result. So earlier this year, I sent a clear message to Congress: Get a good energy bill on my desk before the August recess. Now is the time for them to act.

The House has acted, and I want to thank the leadership in the House. And the Senate's turn is now up. It's now their time to get something done. And they're beginning the debate on the energy bill this week. And my advice is they ought to keep this in mind: Summer is here; temperatures are rising; and tempers will really rise if Congress doesn't pass an energy bill.

The American people know that an energy bill will not change the price of gas immediately, but they're not going to tolerate inaction in Washington as they watch the underlying problems grow worse. We have a responsibility to confront problems. The American people expect us to act in good faith here in Washington. To address the root causes of high gas prices, we need to take four important steps toward one vital goal, and that is making America less dependent on foreign sources of oil.

The first step toward making America less dependent on foreign oil is to improve conservation and efficiency. That's why this conference is an important conference, and I want to thank you for holding it. Hybrid vehicles are one of the most promising technologies immediately available to consumers. There are some interesting things taking place in the market place that will help achieve this part, this step of less dependency on foreign sources of oil. Hybrid automobiles are powered by a combination of gasoline and electricity. Some can travel twice as far on a gallon of fuel as gasoline-only vehicles. Hybrids produce lower emissions. To help consumers conserve gas and protect the environment, I proposed that every American who purchases a hybrid vehicle receive a tax credit of up to $4,000. We're trying to encourage people to make right choices in the market place that will make us less dependent on foreign sources of oil and to help improve our environment.

We are also encouraging automakers to produce a new generation of modern, clean diesel cars and trucks. My administration has issued new rules that will remove more than 90 percent of the sulfur in diesel fuel by 2010. Clean diesel technology will allow consumers to travel much farther on each gallon of fuel without the smoke and pollution of past diesel engines. To encourage this promising technology, Congress should extend the tax incentives for the purchase of hybrid vehicles to clean diesel cars and trucks. You see, America leads the world in technology, and we need to use that technology to lead the world in fuel efficiency.

The second step toward making America less dependent on foreign oil is to produce and refine more crude oil here at home in environmentally sensitive ways. By far the most promising site for oil in America is the Arctic National Wildlife Refuge in

Alaska. Technology now makes it possible to reach the oil reserves in ANWR by drilling on just 2,000 of the 19 million acres. Developing this tiny area could eventually yield up to a million barrels of oil a day, and that million barrels of oil a day would be—would make us less dependent on foreign sources of energy. Thanks to technology, we can reach ANWR's oil with almost no impact on land or local wildlife. To make America less dependent, Congress needs to pass a progrowth, projobs, proenvironment development of ANWR. It makes sense. It is an important part of a comprehensive strategy.

We also need to improve our ability to refine crude oil into gasoline and other products. Do you realize this? There hasn't been a single new refinery built in America since 1976. To meet our growing demand for gasoline, America now imports about a million barrels of refined gasoline every day. That means about one out of every nine gallons of gas you get at the pump is refined in a foreign country. Not only are we dependent on foreign sources of oil, we're becoming more dependent on foreign sources of gasoline.

To help secure our gasoline supply and lower prices at the pump, we need to encourage existing refineries to expand their capacity. So the Environmental Protection Agency is working to simplify rules and regulations for refinery expansion, and I'm confident we can do so and maintain strict environmental safeguards. We also need to build new refineries. So I've directed Federal agencies to work with States to encourage the construction of new refineries on closed military facilities and to simplify the permitting process for these new refineries. By promoting reasonable regulations, by being wise with policy, we can refine more gasoline at home, and that will make us less reliant on foreign sources of gasoline.

The third step toward making America less dependent on foreign oil is to develop new alternatives to gasoline and diesel. Two years ago, my administration launched an ambitious program called the Hydrogen Fuel Initiative. We've already dedicated $1.2 billion over 5 years to this effort to develop hydrogen-powered fuel cell vehicles. Last month, I visited a hydrogen fueling station right here in Washington. I saw cars and vans that run on hydrogen fuel cells instead of gasoline. And these cars and vans emit pure water instead of exhaust fumes. The energy bill will authorize additional funds for this vital initiative. With bold investments now, we can begin to replace a hydrocarbon economy with a hydrogen economy and make it possible for our children, today's children to take the driver's test in a completely pollution-free vehicle.

We've got to be aggressive about finding alternative sources of fuel. And one such source is ethanol. Ethanol comes from corn, and we're pretty good about growing corn here in America. We've got a lot of good corn growers. Therefore, it makes sense to promote ethanol as an alternative to foreign sources of oil. Ethanol can be mixed with gasoline to produce a clean, efficient fuel. In low concentrations, ethanol can be used in any vehicle. And with minor modifications, vehicles can run on a fuel blend that includes about 85 percent ethanol and 15 percent gasoline. Ethanol helps our farmers find new markets and helps us replace foreign crude oil. I mean, I like the idea of spending money on research to make ethanol more feasible, so that some day an American President says, "Show me the crop report." [*Laughter*] As opposed to, "How many barrels of crude oil are we importing?"

By the way, we can get the same type of alternative fuel from soybeans. It's called biodiesel, and that's a promising source of energy. I went to a biodiesel refinery in Virginia that is making fuel from soybean oil. Other producers are making biodiesel, by the way, from waste products like recycled cooking grease. Biodiesel can be used in any vehicle that runs on regular diesel. So as you get more clean diesel engines

in America, biodiesel becomes an alternative fuel for them. It burns more completely and produces less air pollution than gasoline or regular diesel.

It makes sense for the energy bill to encourage renewable sources of energy that are becoming much more practical and much more economic in today's world. To encourage greater use of ethanol and biodiesel, my administration supports a flexible, cost-effective renewable fuel standard as a part of the energy bill. This proposal would require fuel producers to include a certain percentage of ethanol and biodiesel in their fuel. I proposed $84 million in the 2006 budget for ongoing research into advanced technologies that can produce ethanol from farms, forests, or even municipal waste dumps. We've got a chance here as we go forward to do something smart, and that is figure out ways to use that which we grow or that which we dispose of to replace foreign sources of oil.

The fourth step toward making America less dependent on foreign oil is to help other nations use technology to reduce their own demand for crude oil and gasoline. Much of the current projected rise in gasoline prices is due to rising oil consumption in Asia. These are emerging economies that are consuming more natural resources, one of which is oil. As Asian economies grow, their demand for oil is growing much faster than global supply is growing. And that drives up price. It's in our interest to help countries like India and China become more efficient users of hydrocarbons. That will help take the pressure off global supply, take the pressure off gasoline prices here at home.

At the G–8 meeting next month, I'll ask other world leaders to join America in helping developing countries find practical ways to use cleaner, more efficient energy technologies. When we lower the global demand for oil, Americans will be better off at the gas pump and future generations will breathe cleaner air too.

As we make America less dependent on foreign oil, we are pursuing a comprehensive strategy to address other energy challenges facing our country. Along with high gas prices, many families and small businesses are confronting rising electricity bills. Summer air conditioning costs are going to make it even more expensive to power homes and office buildings.

To help our consumers save on their power bills, we must continue expanding our efforts to improve conservation and efficiency. The energy bill would extend the Energy Star program. This program encourages the sale and production of energy-efficient products, like superefficient refrigerators that use less energy than a 75-watt light bulb. Advances in efficiency are saving American consumers more money. In 2001, the average American family spent about half as much to heat its home as it did in 1978. One day, technologies like solar panels and high-efficiency appliances and advanced insulation could even allow us to build zero-energy homes that produce as much energy as they consume.

We must also harness the power of technology to help us deliver electricity more efficiently. For example, the Department of Energy is funding research and development of superconducting power lines. It's important research because it will enable us to more efficiently move electricity. Really what we need to do is bring our electricity grid into the 21st century. Congress should make reliability standards for electric utilities mandatory, not optional. We have modern interstate grids for our phone lines and highways; it's time for this country to build a modern electricity grid so we can protect American families and businesses from damaging power outages.

To power our growing economy, we also need to generate more electricity. Electricity comes from three principal sources, coal, natural gas, and nuclear power. To ensure that electricity is affordable and reliable, America must improve our use of all three.

Coal is our Nation's most abundant energy source, and America is blessed with enough coal to last for the next 250 years. Yet coal presents an environmental challenge. So when I ran for President in 2000, I pledged to invest $2 billion over 10 years for research into clean coal technologies to remove virtually all pollutants from coal-fired powerplants. My budget for 2006 brings clean coal funding to 1.6 billion over 5 years—puts us on pace to exceed my pledge. And there's no doubt in my mind we can succeed. There's no doubt in my mind this great country can use technology to be able to burn coal in environmentally friendly ways.

Congress needs to pass the Clear Skies Initiative, which is a reasonable—it's a good piece of legislation. It's sound policy. They need to pass it. And by passing it, not only will we clean the environment, but it will result in tens of billions of dollars in clean coal investments by private companies. America must invest in clean coal technology and continue to do so, to harness the power of an abundant resource.

Improving our electricity supply also means making better use of natural gas. The United States has the sixth largest proven reserves of natural gas in the world. We need to increase environmentally responsible production of natural gas from our Federal lands. And to further increase our natural gas supply, Congress needs to make clear Federal authority to choose sites for new receiving terminals for liquefied natural gas.

We need to expand our Nation's use of nuclear power. America has not ordered a nuclear powerplant since the 1970s. France, by contrast, has built 58 plants in the same period of time, and today, France gets more than 78 percent of its electricity from safe, low-cost nuclear power. It's time for America to start building again. So I've directed the Department of Energy to work with Congress to help pass legislation that will reduce uncertainty in the nuclear plant licensing process. We're also working with Congress to provide other incentives, such as Federal insurance to protect the builders of the first four new plants against lawsuits, bureaucratic obstacles, and other delays beyond their control. To build a secure energy future for America, we need to expand production of safe, clean nuclear power.

So I appreciate you letting me come by today to talk about a comprehensive strategy, a comprehensive way forward to achieve one overriding goal, and it's an important goal to achieve. And the goal is to address the root causes of higher energy costs by diversifying our energy supply and reducing our dependence of foreign sources of energy.

For the past 4 years, Americans have been paying the price for delaying a national energy policy. They've been watching their power bills go up. They've seen blackouts. And they're watching the price of gasoline rise at the pump. The energy bill will help us make better use of the energy supplies we now have and will make our supply of energy more affordable and more secure for the future. To make this promise real tomorrow, we've got to act today. Now is the time. Now is the time to stop the debate and the partisan bickering and pass an energy bill.

I look forward to working with Members of the Congress to come up with reasonable comprises on outstanding issues such as MTBE. But for the sake of national security and for the sake of economic security, the Congress needs to pass an energy bill now.

Now is the time to act. Now is the time to put a strategy—we should have done this 10 to 15 years ago. Now is the time to move. And history shows that American innovation is never in short supply. That's the good news. We're going to harness our innovative spirit in this new century, and by doing so, we will leave our children and grandchildren a cleaner, a healthier, and a more secure America.

May God bless you all.

NOTE: The President spoke at 11:05 a.m. at the Ronald Reagan Building and International Trade Center. In his remarks, he referred to John M. Barth, chairman and chief executive officer, and Betty L. Arndt, vice president of communications, Johnson Controls, Inc.; Robert B. Catell, chairman and chief executive officer, KeySpan Corp.; and Barry K. Worthington, executive director, United States Energy Association. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Message on the Observance of Juneteenth
June 15, 2005

I send greetings to all Americans celebrating Juneteenth.

Major General Gordon Granger led Union soldiers into Galveston, Texas, on June 19, 1865, bringing the news that the Civil War had ended and that the Emancipation Proclamation, signed over 2 years earlier, had declared all slaves to be free persons. This historic day is celebrated to remember the end of slavery. Emancipation demonstrated our country's belief in liberty and equality for every citizen, and was a profound recognition that each and every American has rights, dignity, and matchless value.

One hundred forty years later, the Juneteenth observance continues to remind us of our country's founding principles of liberty and justice for all. As we mark the anniversary of the end of servitude, we also recognize the many contributions of African Americans to our culture. African Americans have helped shape our country's character, enhanced the diversity that makes America strong, and contributed to the vitality, success, and prosperity of our Nation. Juneteenth is a day that stands for the dignity and equality of all citizens, regardless of race, so that all may share the blessings of freedom that America provides.

Laura and I send our best wishes on this special occasion. May God bless you, and may God continue to bless America.

GEORGE W. BUSH

NOTE: An original was not available for verification of the content of this message.

Remarks at the Congressional Picnic
June 15, 2005

Thank you all for coming tonight. I think we're going to have a pretty special picnic here on the South Lawn. Laura and Lynne and Dick and I are really pleased you're here. It's a chance to say thanks to the Members of Congress and their families.

I appreciate the Marine Band. I hope you've enjoyed them as much as I've enjoyed listening to them upstairs.

So, enjoy the food. In about 45 minutes or so, we're going to have a celebration of American musicals, at the tent down there below. We hope you join us. WETA is going to film it, so make sure you look pretty. [*Laughter*]

But thanks for coming. May God bless you all and your families. Glad you're here.

NOTE: The President spoke at 6:56 p.m. on the South Lawn at the White House.

Remarks Following the Entertainment at the Congressional Picnic
June 15, 2005

Laura and I are pleased that you came to our backyard picnic. [*Laughter*] We really want to thank the Speaker, Speaker Hastert, and Senator Frist, Congresswoman Pelosi, and all the Members of Congress who joined us today. I want to thank you for your hard work, and I want to thank you for your devotion to your constituents and to our country. I look forward to continuing to work with you, as we serve the American people.

Laura and I also want to thank all the families who are with us here for your extraordinary service and sacrifice. Public service puts great demands on our families and our country is grateful to you all.

Laura and I want to thank WETA and all tonight's performers, Tom Wopat and Shirley Jones, Harolyn Blackwell, and Cartier Williams. You put on such a fantastic performance, and we're grateful.

Again, thank you all for coming. We hope you've enjoyed this evening. And may God bless your families, and may God continue to bless our great country.

NOTE: The President spoke at approximately 8:30 p.m. on the South Lawn at the White House. In his remarks, he referred to actor and singer Tom Wopat; actress Shirley Jones; actress and soprano Harolyn Blackwell; and dancer Cartier Williams. The transcript was released by the Office of the Press Secretary on June 16.

Remarks at the National Hispanic Prayer Breakfast
June 16, 2005

Gracias, y sientese. [*Laughter*] Thank you for the warm welcome. It's an honor to be here at the National Hispanic Prayer Breakfast. Thanks for inviting me back. I understand this, like you understand this: America is founded on *los valores de fe y familia.* These are the values at the heart of the Hispanic American community. These are the values that enrich our Nation, and I am grateful.

Your good works and reverence bring compassion to our country and, more importantly, honor to the Almighty. This morning we come together to pray, to pray for God's help as we serve our fellow citizens.

Danny, thank you very much for the invitation and the introduction. I'm proud to be with a lot of the faith leaders from around our country. I saw my friend Luis Cortes. It's good to see you again, Luis. I want to thank John von Seggern, who is the chairman of the Prayer Breakfast.

I want to thank the Members of the Congress who are here, Nancy Pelosi, Chris Cannon, Hilda Solis, Rahm Emanuel, Luis Fortuno. I want to thank you all for serving our country, and thank you for setting aside politics to come and honor the Almighty through prayer.

It's good to see my old buddy, former member of the Cabinet, Ridge. Tom Ridge is with us. Good to see Hector Barreto—he runs the SBA. Go ahead and pray, and then get back to work. It's good to see Don Powell, Gaddi—who runs the FDIC, by the way—Gaddi Vasquez is the Director of the Peace Corps.

And finally, I want to pay homage to the First Lady of Panama. I want to

welcome you here, Madam First Lady. Thank you for coming. We're really glad you're here. Your husband is kind of like me; we both married well. [*Laughter*]

We come from many faiths. In America, every religion is welcome. That's the great thing about our country. Every faith is important. In America, people of faith have no corner on compassion, but people of faith need compassion to be true to the call to "*Ame al projimo como a si mismo*," love your neighbor like you'd like to be loved yourself. That's a universal call.

For Hispanic Americans, a love of neighbor is more than a Gospel command; it's a way of life. We see the love of neighbor in the strong commitment of Hispanic Americans to family and the culture of life. For Hispanic Americans, families are a source of joy and the foundation of a hopeful society. We're working to support and defend the sanctity of marriage and to ensure that the most vulnerable Americans are welcomed in life and protected in love.

We see the love of neighbor in the tireless efforts of Hispanic American faith-based and community organizations that work daily to bring hope to harsh places. In Boston, the Leon de Judah congregation mentors inner-city teens so they have a chance to realize the great dreams of America. In St. Louis, Accion Social Comunitaria helps immigrants and their children adapt to American life. In the Archdiocese of Miami, Catholic Charities ministers to people with HIV/AIDS. Inner-city Philadelphia, Cortes runs a fantastic program to help lift the spirits of every single child.

Many in the Hispanic community understand that by serving the least of *nuestros hermanos y hermanas*, that we're serving a cause greater than ourselves. And by doing so, we're helping all citizens have an opportunity to realize their dreams here in America.

Finally, we see the love of neighbor in tens of thousands of Hispanics who serve America in the cause of freedom. One of these was an immigrant from Mexico named Rafael Peralta. The day after Rafael got his green card, he enlisted in the Marine Corps. Think about that. While serving in Iraq, this good sergeant wrote a letter to his younger brother. He said, "Be proud of being an American. Our father came to this country, became a citizen because it was the right place for our family to be." Shortly after writing that letter, Sergeant Peralta used his own body to cover a grenade an enemy soldier had rolled into a roomful of Marines. This prayer breakfast, we remember the sacrifices of honorable and good folks like Sergeant Peralta, who have shown their love of neighbor by giving their life for freedom.

Hispanic Americans answer the call to service willingly, because you understand that freedom is a divine gift that carries with it serious responsibilities. And as you go about the work of repairing broken lives and bringing love into the pockets of hopelessness and despair, be strong, because you're sustained by prayer. Through prayer—[*applause*].

One of the most powerful aspects of being the President is to know that millions of people pray for me and Laura, people that I'll never have a chance—think about a country where millions of people of all faiths, people whom I'll never have a chance to look face to face with and say, "Thank you," take time to pray. It really is the strength of America, isn't it? Through prayer we ask that our hearts be aligned with God's. Through prayer we ask that we may be given the strength to do what's right and to help those in need.

I want to thank you for the fine tradition you continue here today. This is an important tradition to continue right here in the heart of the Nation's Capital. I want to thank you for what you do for our Nation. *Que Dios les bendiga*, and may God continue to bless our country. Thank you very much.

NOTE: The President spoke at 8:28 a.m. at the Andrew W. Mellon Auditorium. In his remarks, he referred to Rev. Danny Cortes, senior vice president, and Rev. Luis Cortes, Jr., president and chief executive officer, Esperanza USA; and Vivian Fernandez de Torrijos, wife of President Martin Torrijos Espino of Panama. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks on Implementing the Medicare Modernization Act
June 16, 2005

Thank you very much. Please be seated—unless you don't have a seat. [*Laughter*] Thanks for coming. It's glad—I'm glad to be back to the Department of Health and Human Services. The last time I visited here was to witness Secretary Leavitt's swearing in. I said I'd be coming back to check up on him. [*Laughter*] I'm back. [*Laughter*] He's doing a fine job; really appreciate your leadership.

I'm grateful to the men and women of this Department for their compassion and service. Thanks for serving our country. I want to thank you all for helping us launch a vital effort to bring greater peace of mind to America's seniors and people with disabilities. Over the next 11 months, we will spread important news to everyone receiving Medicare. This great and trusted program is about to become even better. Starting this November, every American on Medicare can sign up to get help paying for their prescription drugs.

I appreciate Mike Leavitt's understanding of how important it is to spread the news. I also want to thank my friend Mark McClellan for doing such a fine job at the Centers of Medicare and Medicaid Services. I want to thank you all who work there with him. You've got an important job now. We've passed good law. Now it's important for people to get the news.

I want to thank members of my Cabinet who are here who are going to help spread the news to their Departments, Secretary Elaine Chao, Secretary Alphonso Jackson, Secretary Norm Mineta, Secretary Jim Nicholson. Thank you all for coming, as well as Commissioner Jo Anne Barnhart of the Social Security Administration. Welcome. Thank you all for being here.

I appreciate so very much all the other administration officials who are here. I want to thank an old family friend of ours, Dr. Louis Sullivan, former Secretary of HHS, for joining us. Louis, I was looking at that picture up there—[*laughter*]—looks like him. [*Laughter*] Tell me who the painter was—I'd like one to look like me one of these days. [*Laughter*]

I want to thank Senator Craig Thomas from Wyoming for joining us. Thank you for being here, Senator. I also want to thank former Senator John Breaux for joining us. I can remember John was one of the leaders in the United States Senate in trying to bring people together to reform Medicare. I want to thank you for your help on this. I want to thank you for being here. I particularly want to thank the leaders and representatives of the health care, faith-based and community organizations who are all going to help spread the word to our seniors about what is available. I appreciate you being here. I want to thank you for your compassion and your care for America's seniors.

I also want to welcome the Medicare beneficiaries who are here in attendance. Listen carefully, I think you're going to like what you hear.

Forty years ago—think about that, 40 years ago this summer, President Lyndon Baines Johnson, from the great State of

Texas—[*laughter*]—signed a law creating Medicare to guarantee health care for seniors and Americans with disabilities. In the decades since that historic act, Medicare has spared millions of our citizens from needless suffering and hardship. Medicare is a landmark achievement of a compassionate society. It is a basic trust that our Government will always honor.

Medicare has also faced challenges. For decades, medicine advanced rapidly and grew to include innovations like prescription drugs, but Medicare didn't keep pace. As a result, Medicare recipients were left with a program based on the medicine of the 1960s. For example, Medicare would pay $28,000 for ulcer surgery but not $500 for the prescription drugs that eliminate the cause of most ulcers. Medicare would pay more than $100,000 to treat the effects of a stroke but not $1,000 for blood-thinning drugs that could prevent strokes. That's an outdated system, and it made no sense for American seniors. It made no sense for Americans with disabilities, and it made no sense for American taxpayers.

Year after year, politicians pledged to reform Medicare, but the job never got done until 2003, when members of both political parties came together to deliver the greatest advance in health care for seniors since the founding of Medicare. This new law is bringing preventive medicine, better health care choices, and prescription drugs to every American receiving Medicare. The Medicare Modernization Act renewed the promise of Medicare for the 21st century, and I was honored and proud to sign that piece of legislation.

Over the past year, millions of Americans have started to benefit from the new Medicare program. Every senior entering Medicare is now eligible for a "Welcome to Medicare" physical. It's a fundamental improvement, and it makes a lot of sense. Medicare patients and doctors are now able to work together to diagnose health care and health concerns right away. And there's a simple reason: The sooner you diagnose a problem—you can treat problems before they become worse. Medicare now covers preventive screenings that can catch illness from diabetes to heart disease. Medicare is covering innovative programs to help seniors with chronic diseases like high blood pressure. I urge every senior to take advantage of these new benefits in Medicare.

In the 21st century, preventing and treating illness requires prescription drugs. Seniors know this. Yet because Medicare did not cover prescription drugs, many seniors had to make painful sacrifices to pay for medicine. In my travels around the country, I met seniors who faced the agonizing choice between buying prescription drugs and buying groceries. I met retirees who resorted to cutting pills in half. I met Americans who were forced to spend their retirement years working, just to pay for their prescriptions. These hardships undermine the basic promise of Medicare. And thanks to Medicare Modernization Act, those days are coming to an end.

To provide immediate help with drug costs, the new Medicare law created drug discount cards. Over the past year, millions of seniors have used these cards to save billions of dollars. In Missouri, I met a woman who used her discount card to buy $10 worth of drugs for $1.14. She was happy with the card. Another senior went to her pharmacy and spent under $30 for medicine that used to cost about four times as much. And here is what she said: "When he got out my medicine card . . . and told me what the savings was, I about dropped my false teeth." [*Laughter*]

The Medicare Modernization Act created a prescription drug benefit to replace drug discount cards and bring savings and peace of mind to all 42 million Medicare beneficiaries. The new benefit will help every senior as well as Americans with developmental and physical disabilities and mental illnesses and HIV/AIDS. Congress scheduled the prescription drug benefit to start

in January of 2006. Thanks to the leadership of Secretary Leavitt and Mark McClellan, we are on track to deliver prescription drug coverage on time to every American senior.

As Medicare's professional staff prepares to implement the prescription drug benefit, we also must ensure that seniors are ready to take full advantage of their new opportunities. And that's why I've come here today. It's important for everyone to understand that Medicare prescription drug coverage is voluntary. Seniors can choose to take advantage of the benefit, or they can choose not to. It's up to them.

And there's plenty of time to make the decision. Starting on October 1st, Medicare beneficiaries will begin getting information about the new prescription drug plans available. They will receive a handbook called "Medicare and You" that includes detailed information about their options. If they like what they see and choose to get prescription drug coverage, they can enroll any time between November 15th of this year and May 15th of next year. Beneficiaries should make their decisions as soon as they are ready, because enrolling before May will ensure that they pay the lowest possible premiums.

The Federal Government will work hard to ensure that Medicare beneficiaries understand their options. I've asked every agency that touches the lives of seniors or disabled Americans to devote resources to explaining the prescription drug benefit. And we need the help of people in the private sector as well. The only way to reach everyone on Medicare is to mobilize compassionate citizens in communities all over the country. And that's why we've come together this afternoon to kick off a nationwide outreach campaign.

Over the next 11 months, we will unite a wide range of Americans from doctors to nurses to pharmacists to State and local leaders to seniors groups to disability advocates to faith-based organizations. Together, we will work to ensure that every American on Medicare is ready to make a confident choice about prescription drug coverage, so they can finally receive the modern health care they deserve.

As we spread the word about the new opportunities in Medicare, we will make it clear that prescription drug coverage will provide greater peace of mind for beneficiaries in three key ways.

First, the new Medicare coverage will provide greater peace of mind by helping all seniors and Americans with disabilities pay for prescription drugs, no matter how they pay for medicine now. On average, Medicare beneficiaries will receive more than $1,300 in Federal assistance to pay for prescription drugs. Seniors with no drug coverage and average prescription expenses will see their drug bills reduced by half or more. The new Medicare benefits will also provide special help for seniors with the highest drug costs. Starting in January, Medicare will cover 95 percent of all prescription costs after a senior has spent $3,600 in a year. Seniors will never be able to predict what challenges life will bring, but thanks to Medicare, they can be certain they will never have their entire savings wiped out to pay for prescription drugs.

Second, the new Medicare coverage will provide greater peace of mind by offering beneficiaries better health care choices than they have ever had. Seniors will be able to choose any Medicare prescription drug plan that fits their needs and their medical history. Seniors who want to keep their Medicare the way it is will be able to do so. Seniors using Medicare Advantage to save money will be able to keep their plans and get better drug benefits. Seniors who receive drug coverage from a former employer or union can count on new support from Medicare to help them keep their good benefits. Every prescription drug plan will offer a broad choice of brandname drugs and generic drugs. Seniors will also have the choice to pick up their prescriptions at local pharmacies or to have the medicine delivered to their home.

These options might sound familiar to some of you here at the Department. It's got to sound familiar to Members of the United States Congress. After all, these health care choices, these kind of choices are available for people who work here in Washington. And if these choices are good enough for people who work here in Washington, they ought to be good enough for the seniors all across the country.

Third, the new Medicare coverage will provide greater peace of mind by extending extra help to low-income seniors and beneficiaries with disabilities. For years, beneficiaries on the tightest budgets received no help from Medicare to pay for prescription drugs. Because we acted, about a third of American seniors will be eligible for a Medicare drug benefit that includes little or no premiums, low deductibles, and no gaps in coverage. On average, Medicare will pick up the tab for more than 95 percent of prescription drug costs for low-income seniors. To receive this important assistance, low-income seniors have to fill out a straightforward, four-page application form with, at most, 16 questions. No financial documents or complicated records are required, and the forms are easy to obtain. In fact, millions of applications have already been mailed to low-income seniors. If you or a family member receives one of these, I urge you to fill it out and send it in. Some of the seniors groups that are here have a saying, "When in doubt, fill it out." [*Laughter*] By encouraging all low-income seniors to sign up for extra assistance, we will ensure that Medicare gives its greatest help to those with the greatest needs.

With all of these essential reforms, the Medicare Modernization Act created a new commitment to seniors and Americans with disabilities, and all of you are helping to make good on that commitment. By lending a hand to neighbors in need, you are strengthening your communities and showing the great compassion of our country. Many organizations have already launched innovative efforts to reach seniors. And I'll continue to call on people to put forth innovative strategies to reach our seniors.

For example, in Wisconsin and Indiana, more than 270 community leaders are coming together to find ways to get information to rural seniors. In Chicago, a food pantry, the Catholic Archdiocese, and a news publication are all working to get the word out about the new Medicare benefits. The Federal Department of Transportation, under the leadership of Norm Mineta, is working with local agencies to post Medicare information in buses and at highway rest stops. Thousands of pharmacies are working with Medicare to provide information for seniors. Countless other organizations are holding community events and connecting with seniors face to face, so Medicare recipients can get their questions answered and make informed choices about prescription drug coverage. In other words, we're on a massive education effort, starting today. And I'm asking for America's help.

You can help by making a call to your mother or father and tell them what's available. You can help by showing an older neighbor how to fill out a form. You can help by spending an afternoon at the local retirement home. And by the way, when you help somebody, you're really helping yourself. You can get information 24 hours a day calling 1–800–MEDICARE. It's pretty easy to remember, 1–800–MEDICARE. Or you can use the Internet to visit the official Medicare web site at medicare.gov. All you've got to do is type in medicare.gov, and you're going to find out what I'm talking about.

Remember that information about prescription drug plans will be available starting October 1st, and November 15th is the first day to sign up for the new coverage. You need to circle those dates on your calendar and tell the seniors in your life that modern medicine is on the way. This is a good deal, and people need to take advantage of it.

I think the passage of the Medicare Modernization Act is a good lesson for all

of us who work in this city. You know, it wasn't all that long ago the leaders who talked about Medicare reform faced a lot of name-calling—to say the least. When Congress finally rose above politics and fulfilled its duty to America's seniors, it showed what's possible in Washington, DC. We need that same spirit—[*applause*]. I mean, this bill is proof that Americans really aren't interested in seeing one party win and another party lose. What Americans want to see is people coming together to solve problems. That's what they want to see.

We had a problem in Medicare. It wasn't working the way it should. It wasn't modern. It wasn't answering the needs of our seniors. And by coming together, we have done our job here in Washington. And as a result of working together, we have changed Medicare for the better. Medicare is now modern, reformed, and compassionate. And I urge all seniors—all seniors and those folks here in America who want to help seniors, look into this new prescription drug benefit; it will make your life better.

Thank you all for coming. God bless.

NOTE: The President spoke at 1:22 p.m. at the Department of Health and Human Services.

Statement on the Presidential Elections in Iran
June 16, 2005

In recent months, the cause of freedom has made enormous gains in the broader Middle East. Millions of people in Afghanistan and Iraq defied terrorists to cast their ballots in free elections. Palestinians voted for a new President who rejects violence and is working for democratic reform, and the people of Lebanon reclaimed their sovereignty and are now voting for new leadership. Across the Middle East, hopeful change is taking place. People are claiming their liberty. And as a tide of freedom sweeps this region, it will also come eventually to Iran.

The Iranian people are heirs to a great civilization—and they deserve a Government that honors their ideals and unleashes their talent and creativity. Today, Iran is ruled by men who suppress liberty at home and spread terror across the world. Power is in the hands of an unelected few who have retained power through an electoral process that ignores the basic requirements of democracy.

The June 17th Presidential elections are sadly consistent with this oppressive record. Iran's rulers denied more than a thousand people who put themselves forward as candidates, including popular reformers and women who have done so much for the cause of freedom and democracy in Iran.

The Iranian people deserve a genuinely democratic system in which elections are honest—and in which their leaders answer to them instead of the other way around. The Iranian people deserve a truly free and democratic society with a vibrant free press that informs the public and ensures transparency. They deserve freedom of assembly, so Iranians can gather and press for reform and a peaceful, loyal opposition can keep the Government in check. They deserve a free economy that delivers opportunity and prosperity and economic independence from the state. They deserve an independent judiciary that will guarantee the rule of law and ensure equal justice for all Iranians. And they deserve a system that guarantees religious freedom, so that they can build a society in which compassion and tolerance prevail.

Today, the Iranian regime denies all these rights. It shuts down independent newspapers and web sites and jails those who dare to challenge the corrupt system. It brutalizes its people and denies them their liberty.

America believes in the independence and territorial integrity of Iran. America believes in the right of the Iranian people to make their own decisions and determine their own future. America believes that freedom is the birthright and deep desire of every human soul. And to the Iranian people, I say: As you stand for your own liberty, the people of America stand with you.

NOTE: The statement referred to President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority.

Remarks in a Discussion on Implementing the Medicare Modernization Act in Maple Grove, Minnesota
June 17, 2005

The President. Thanks for the warm welcome. Thanks for the warm day too. [*Laughter*] It's good to be back in the great State of Minnesota. Thanks for coming. I think you're going to find this to be an interesting discussion we're about to have about Medicare. We're here to say to the seniors who live here in Minnesota and around the country that Medicare has been strengthened, reformed, and modernized, and we hope you take a look at it—the new program, because it's going to benefit a lot of people.

So what you're about to see is Government in the process of educating folks about what's available, and I want to thank my fellow panelists for being here. I think you're going to find this to be an interesting discussion.

Before I begin, I just want you to know that Laura sends her best. She's doing great, working on some new comedy material. [*Laughter*] But I'm really proud of her, and she and I are having the times of our life representing the United States of America, and I'm really lucky to have her by my side.

I want to thank the Governor for being here. Governor, thanks for coming, I'm proud you're here. Thanks for serving. We've got the secretary of state here. Mary, thanks for being here. Oh, there she is. Hi, Mary. Thank you for coming. We've got the mayor, mayor of Maple Grove. I saw the mayor come in. Mayor—there he is. I appreciate you being—sitting by your old classmate. Thanks for having us. I want to thank all the folks who serve in the statehouse and local government. I appreciate you serving your State. I really want to tell you to thank your families. It's not easy to be in public office, and it's not easy to be in public office if you're a family member. But thanks for serving.

I really want to thank the folks here at Maple Grove for letting us come by. It's not easy to host the President. [*Laughter*] It turns out his entourage is quite big these days. [*Laughter*] But I really want to thank you for letting us do this. I think you're going to find this will help the seniors who use this fantastic facility. It will help them at least understand there's new options available to them when it comes to making sure there's a prescription drug benefit available to them.

I want to thank Mark. I'm going to talk a little bit about Mark in a second here, but I want to thank Rhonda Whitenack, who is the Social Security Administration training instructor. I just was with Rhonda and some folks who have taken time out

of their lives to learn what is available in this new program. See, this is a part of a grassroots effort to educate people, to explain to people what I'm about to explain to you. So, Rhonda, thank you very much. I want to thank Greg Chesmore of the Centers of Medicare and Medicaid Services, training instructor. [*Laughter*] His job is to instruct people, to educate people. That's his job. He works with Mark.

I want to thank Lisa Jost, who is the manager of this fantastic facility. I want to thank you all for coming. I'm tired of thanking people. I appreciate you being here.

By the way, I met John and Agnes Jurek. Where are they, the Jureks? I know they were at the airport. I think they came here with us. There they are. Thank you all for coming today. These are good folks who have volunteered for years in the Minneapolis area. They volunteer at the veterans center. See, they're volunteering to make somebody's life better. And the reason I've asked them to come and the reason why at the airport I thanked them for their volunteer work is if you really want to serve our country or your community, volunteer. Take time out of your life to help somebody. Teach a child to read. Feed the hungry. Find shelter for the homeless, and you will do a huge service to our country.

See, the greatest strength about—the greatest thing about America is the fact that we've got people with such wonderful hearts, that they are willing to take time out of their lives, just like John and Agnes. And so John and Agnes, thanks for setting such a good example. We're proud you all are here.

So Medicare worked for a lot of folks. But the problem is, medicine started to change, and Medicare wouldn't change with it quick enough. And I always believed since the Federal Government had made a commitment to elders to provide health care, that the health care we provide ought to be the best possible health care. In other words, if you're going to provide something, you ought to give it the best shot you can, and we weren't doing that when it came to Medicare.

And I'll get you an example about one of the reasons why I became involved in this issue and called upon Congress to modernize the Medicare system. You know, the Government would pay $28,000 for ulcer surgery—I don't know if I got the right number, but it's close to that—but not one dime for the prescription drugs that would prevent the ulcer surgery from being needed in the first place. Or the Government would pay $100,000 for heart surgery but not the $1,000 a year necessary to stop the heart surgery from being needed in the first place, and that didn't seem to make sense to me. That's an example of what I mean by the system was outdated, and it wasn't doing what it was supposed to do.

I believe those of us in public life have a responsibility to fix problems. I saw a problem, and fortunately, members of both political parties came together to fix this problem, to modernize Medicare.

Now, let me tell you what the Medicare—the new Medicare bill means. The first thing that happened in the Medicare bill is we—for the first time the Federal Government decided to provide help for preventive care. In other words, it's a simple concept here. Let's give you a diagnosis early, when you sign up for Medicare so that if you've got a problem, we'll cure it early before it becomes acute.

And so there is a Medicare preventive care provision now available for seniors. And I urge seniors to take advantage of this part of the Medicare program. In other words, get a checkup. When you sign up for Medicare, get the free checkup that will make it easier for docs to solve your—any long-term health problems you have. In other words, the sooner you find out what you got, the quicker it can be solved. And by the way, that saves taxpayers money. When we can solve a problem

early, it will save our taxpayers money. And so that's why we put preventive care as a part of Medicare. It's called "Welcome to Medicare" physical. That's what you—that's what you're notified. When you sign up, you get "Welcome to Medicare," and then you go take your physical, which the Government pays for.

I hope people are beginning to understand why that makes sense. I think it made sense, and I appreciate the Congress putting that part of the Medicare Modernization Act.

Secondly, we provided discount cards for seniors. We said, "Look, if you're somebody relying upon prescription drugs, here's a discount card." And a lot of seniors saved a lot of money. But what's taken place as a result of this law is we're replacing the discount card with a new prescription drug benefit as a part of Medicare. And that's what I want people to understand, and that's what we're talking about.

This bill provides seniors with better choices. In other words, I like the concept of saying to a senior, "If you want to sign up for this benefit, you can. If you don't want to, that's fine too." It's voluntary. Secondly, if you want to buy your health care through something like Medicare Advantage, we're strengthening Medicare Advantage plans for you. In other words, the more choices people have, the better off it is in the marketplace. That's what this bill does.

This bill also will help those of you who are receiving prescription drugs from a labor union or corporate America, by helping those entities fulfill their responsibility to the contracts they made with you. In other words, it recognizes people are going to get their medicines in a variety of different ways. And so therefore, the bill strengthened options for people. And that's good.

If you're—on the average, the folks who sign up for this prescription drug benefit are going to save $1,300 a year. For the first time in Medicare's history, there will be stop-loss, kind of catastrophic care. If you're paying—once you pay $3,600 in Medicare for prescription drugs, the Government picks up 95 percent of all the costs over the $3,600. See, that's important, isn't it? We don't want a system where if you're relying upon prescription drugs and your drug costs get out of control, it just wipes out a senior. So this is a plan that says for folks, "Sign up. You get a good benefit." It will—it's, on average, $1,300 worth of savings, plus a stop-loss plan, catastrophic care, so that if something goes wrong, the Government steps in after $3,600 and pays 95 percent of the costs. It will bring people peace of mind, by the way.

You know, one of the great complaints we heard about not covering prescription drugs is that oftentimes, people could get wiped out because of high drug bills. And this will give seniors ease of mind. That makes sense in a good retirement system.

Let me talk about—and by the way, what I haven't really referred to is what happens to low-income seniors. And this is why we're beginning the dialog early. And the reason why we're beginning the dialog early on a Medicare plan that becomes available next November is because we want low-income seniors to fill out some paperwork to justify their participation in the program as a low-income senior. That's really what we're doing. That's why we're kind of starting here in June, because the plan for low-income seniors is a really good deal. I mean, it's a good deal for everybody, but it's a really good deal for low-income seniors. After all, the Government is going to pay over 95 percent of all pharmaceutical costs for qualified seniors. That makes sense, doesn't it? You don't want people choosing between medicine and food. If the health care system has modernized, why not make the modern health care system available for all people, all seniors.

And that's precisely what we're doing. This says, if you qualify, and therefore you've got to fill out some paperwork to

qualify—generally when people hear that the Government is saying, "Fill out some paperwork to qualify," it makes people nervous. I think you'll find that the forms that the Government has designed to decide whether you qualify or not are pretty darn simple, particularly for Government. I mean, they are four pages, and therefore, it shouldn't frighten people to take a look at these forms.

But I understand a lot of people who have retired aren't really interested in change at all. There's some people who feel that way. And therefore, one of the reasons why I've come to this center is to encourage caregivers and sons and daughters and community and faith-based groups to help seniors understand, one, what's available in the new program, and, two, to encourage seniors to fill out the simple, four-page form so that they can take advantage of this good deal.

And it's a good deal. This isn't political talk; this is true. And I encourage people to take a look at this program. Just ask the folks that have—we're about to ask some folks, by the way, about why this makes sense for people to sign up.

I've come to Minnesota to begin an education process, starting—right now the forms are going out, by the way, to help people qualify for this prescription drug benefit. Now, all people qualify for it, but if you happen to be low-income, you get 95 percent or more of the prescription drugs paid for by the Government. Starting October 1st, information about all the variety of plans will go out. People will then be allowed to start signing up for the new Medicare plan starting November the 15th. January 1st, the benefit kicks in. And you have until May 15th to sign up so you can get the good deal on the prescription drug plans.

And it takes a while to get this to sink in. We've been having Medicare one way for a long period of time, and change isn't easy. So you're watching—what you're watching is you're watching the Government begin to try to change people's attitudes toward Medicare and to get them to take a look at this new benefit.

Yesterday in Washington, I kicked the deal off with the Secretary of Health and Human Services, and one of the things that I was pleased to see there at the Johnson building was the number of faith-based groups that were there, community-based groups. I just happened to meet some of the members of the Salvation Army, by the way, one of the great armies of compassion in the world. And so as this advances, and if you're a part of a faith-based or community-based program and you're interested in serving your community, find out how best you can explain what's going on to seniors. It would be a significant contribution, I would think, to the welfare of the society in which you live that this is a good deal, as to how to convince people to sign up for this good deal. This country can do a lot of amazing things when people put their mind to it, and this is a call, because by responding to the call, you're going to help make somebody's life a lot better.

Now, Mark McClellan, he's—you've got to have a smart guy around you all the time, and he happens to be one. He's a Ph.D. Yes, he's got a Ph.D. and a medical degree. Now, for those of you who are interested to know how Government works, I want you to pay attention to this. See, he's got the Ph.D. and the medical degree, and I'm the C student. [*Laughter*] Notice who's the adviser and who's the President. [*Laughter*]

Anyway, McClellan is a good man. He's from—raised in Texas, Austin, Texas. He is in charge of making sure that the Medicare bill we passed is fully implemented and that people all across the country understand what's available. Mark, why don't you add some wisdom here.

Mark B. McClellan. Well, you've already added a lot of wisdom, Mr. President.

The President. He was wise to say that about the President. [*Laughter*] Go ahead,

talk about the implementation plan and stuff, so people——

Dr. McClellan. One of the things that I'm spending a lot of time on is going around the country for many of the meetings just like this that we're having today to help people find out about the new coverage. And there are two big phases in what we're doing, just as what the President was talking about.

Right now we want to make sure people are aware of what's coming. There are a lot of people who have Medicare, a lot of family members of people with Medicare who don't realize that the Medicare coverage is starting on January 1st and that it's available for everybody, no matter how they pay for their drugs today.

And we especially want to start early, as the President said, to reach people with limited means. We are providing some very comprehensive drug coverage for them. There's no premiums, no or little deductibles, and people will pay only a few dollars for their prescriptions. And we want to make sure they all take advantage of it.

This is a real partnership effort, and it's because of organizations like the ones we're working with here, like the Social Security Administration, like our staff at the Center for the Medicare and Medicaid Services all around the country, and many of the nongovernmental groups that we're working with, that we think we can reach everyone so that they can make a confident decision about the new coverage that's coming.

The President. Yes, I told Mark—I said, "Look, your job is to make sure everybody understands what's available. And if I can help, I will." And so he's responsible, and his agency is responsible for getting the word out. And we're beginning to—this is it. This is day two. You're right here in the beginning. I'm confident we're going to get significant market penetration when it's all said and done. I think people, when it's all said and done, are going to understand, but we need your help. In other words, if we rely only on the Federal Government to get out the word, it's not going to work. The Federal Government can help. We've sent out mailings thus far to—what have we done?

Dr. McClellan. Working with Social Security, we've sent out mailings to close to—to millions of beneficiaries who are probably going to qualify for this extra help for people with limited incomes. And then we're sending out a lot of information to people who are helping educate seniors and helping educate the family members of seniors about the new coverage that's coming.

So this is a very comprehensive grassroots effort. As we like to say, we're trying to reach seniors and the people who care about them—where they live, work, pray, and play. And this goes for seniors all over the country. It goes for the people with a disability who are on Medicare and depend on Medicare for their medical care. And we're starting early so that we can reach all of them.

The President. So in other words, we've had a mailing out—and by the way, if you've got a mom or a dad who may have misplaced their mailing or you didn't get your mailing, there's an easy way to make sure that the information that is coming out of Washington to help you gets to you, and that is to call 1–800–MEDICARE and ask for the application form. If you're a caregiver and you want to get on the Internet, medicare.gov will enable you to get these forms, get the information to the people. In other words, just because somebody got rid of the mailing—didn't open the mail right or lost the mailing, doesn't mean you shouldn't get the mailing. It's worthwhile, believe me. This information is important information to improving somebody's life.

He talked about—what was that—it was kind of an alliterative phrase there—"play, pray, and"——

Dr. McClellan. Live, work, pray, and play, Mr. President.

The President. "Live, work, pray, and play," good. Well, that's what happens here

at Maple Grove Community Center, isn't that right, Kris? Thank you for having us. Kris is the senior—what are you? What do you do?

Kristine Orluck. Mr. President, I'm the senior coordinator here at the Maple Grove Park and Recreation Department.

The President. Good. It's quite a varied facility, isn't it? You said you go from pre-K to a senior center.

Ms. Orluck. That's correct, from preschool to teen centers to senior centers.

The President. Great. And tell me about—you develop—what's your job? What do you do?

Ms. Orluck. What I do here at the community center is I'm in charge of developing the senior programs that happen around here. So it may be a fitness class. It may be a social recreation program, a trip. It may be an educational class, like a computer class, or a great decisions discussion group, or it's a wellness and health program, where we bring people in to educate them about various topics on wellness and health, and Medicare is one of those topics that we cover.

The President. Now, you see why I've asked Kris to come up here. Anybody who's interested in doing their duty, working at a senior center, pay attention to what Kris is going to tell you. See, she understands if part of the deal is to educate people, there's no better subject than a modern Medicare bill that's going to help a lot of people with their prescription drugs.

Kris and I were talking backstage. She is all fully prepared to use the time she has allotted with the seniors to say, "Here's what's available." Isn't that right?

Ms. Orluck. That's correct. We're currently working with the local Social Security Administration to provide education and also opportunities to register, so they'll be able to meet one on one with individuals and just come in as a group and hear about the changes and how it affects them and their——

The President. There are a lot of senior centers all across America, a whole lot. And part of the effort to educate our seniors is to reach out to the senior centers. One of the reasons we used the senior center here is to say to folks who have got a senior center in Texas or anywhere else, "Do your duty. Find out what we're talking about, and then educate people." And I'm confident that when the senior centers realize what's available and realize how easy it is to get information and how simple it is to pass on the information, that people across the country will respond to describe to seniors the new prescription drugs and give seniors the option, the choice.

Listen, all we want to do is pass information so people can make a rational choice. If you're a son or a daughter, help your mom and dad make rational choice.

I tried that on my mother, and it didn't work. [*Laughter*] And I bet it wouldn't work on you, right, Dorothy?

Dorothy Bourgeois. It may. [*Laughter*]

The President. Dorothy is living here. She's retired.

Ms. Bourgeois. I'm retired for about 10 years now.

The President. Are you?

Ms. Bourgeois. Yes.

The President. And so you come here to the center?

Ms. Bourgeois. Oh, I come here to the center sometimes, and I do some volunteer work here with Medicare.

The President. Thanks for volunteering, by the way. How about that as an example. You're never too old to volunteer. In her case, you're never too young to volunteer. [*Laughter*]

"Welcome to Medicare" physical. People understand that yet?

Ms. Bourgeois. I think they're talking about it somewhat. And when I—working with the seniors in trying to help them to decide what insurance they need and so forth, that's one of the things that we cover.

The President. Yes, you see, the way this is going to work is there's going to be a lot of Dorothys around. She's going to take the information that we provide—she's going to be the mentor. She's probably got a heck of lot more credibility than a lot of other people do with her buddies. And so she's going to look at the information, and she's going to sit down and say, "Take a look."

And if you want to help, become a Dorothy and explain to these people. First of all, you know, the main line of education—or the frontline of education is going to be sons and daughters. Do your duty. Help your mom and dad. That's what you're supposed to do. They helped you. Now you help them. And I think you're going to find you will have done a good service.

Keep rolling. You're on a roll there.

Ms. Bourgeois. Yes, I've enjoyed it. I've been doing it for about 6 years, so I do enjoy doing it.

The President. Right. And you're beginning to learn of the new Medicare plan, I take it?

Ms. Bourgeois. Yes.

The President. Yes.

Ms. Bourgeois. Yes, we're learning a lot about it, and we're starting to get questions on it now.

The President. Yes.

Ms. Bourgeois. Just recently.

The President. And therefore, Mark's job is to make sure that people like Dorothy have got the answers to the questions. And if not, 1–800–MEDICARE or medicare.gov will have the answers.

Ms. Bourgeois. Yes.

The President. Are you Internet savvy?

Ms. Bourgeois. A little bit.

The President. Yes, probably more than——

Ms. Bourgeois. Not as much as I'd like to be.

The President. Well, here's a challenge for you. Why don't we set up a little computer center here, you know?

Ms. Bourgeois. She has one.

The President. Oh, she does have one. [*Laughter*] So it's not her fault. It's yours. [*Laughter*]

Ms. Bourgeois. I need a refresher course.

The President. Yes, that's right. [*Laughter*] I think it's—I think, Dorothy, when you analyze the drug benefit, it's going to help everybody. You've just got to understand that. And it's particularly going to be beneficial for low-income seniors.

You probably think I'm getting a little repetitive here. I have found in my line of work, you need to repeat things a lot so people listen. [*Laughter*] And you just keep saying it and saying it and saying it so people will take a look. This is an important benefit. This is a change—a positive change for Medicare. We've strengthened the system. We've modernized the system by making prescription drugs available for all seniors in a very cost-effective way but particularly for the lower income seniors.

And one place where there are a lot of seniors that go is to the pharmacies. We've asked two folks who work for pharmacies to come and visit with us because I want to remind those in the pharmaceutical business, the disbursement business, the retail business, that it's to your interest to educate people on the drug plan available and that I think you have a duty.

I want Steve Preston—I want to introduce Steve Preston.

First of all, thanks, Dorothy. You did a fine job. Unless you got something else to day.

Ms. Bourgeois. No, I'll let you do the talking.

The President. Okay, thank you. [*Laughter*] Anyway—[*laughter*].

Steve is—fair to say an entrepreneur? Small-business guy?

Steven Preston. You could put it that way.

The President. Yes, well, that's good. I happen to think it's a positive word.

Mr. Preston. It is. I love it.

The President. Yes. Small-business guy. Where do you live?

Mr. Preston. Duluth, Minnesota. We've got——

The President. Right, spent some quality time there.

Mr. Preston. ——seven pharmacies there.

The President. Seven pharmacies. Great. And you—well—speak. [*Laughter*]

Mr. Preston. Okay. I'm Steve Preston. I've been a pharmacist for almost 30 years now. I've got seven pharmacies in the Duluth/Superior area. Six of them are retail. One of them takes care of nothing but nursing home patients. And——

The President. Yes, and so you see people come to your counters——

Mr. Preston. We see them every day.

The President. Every day.

Mr. Preston. Every day, yes.

The President. And I thought you said something very compelling—this isn't the first time I met Steve. I saw him behind stage. Anyway, it's—you said something very compelling to me about watching seniors struggle.

Mr. Preston. We see them every day struggle with the costs and making choices as to how they're taking their medicines and skipping days and skipping—not getting their prescriptions at all. And it just drives us crazy that we've been at this point where we could never do anything to help them other than just cut our—to our costs. And so it's going to be wonderful that there's a program out there to help all seniors, let alone the ones that need it the most.

The President. Yes, and this is—and so therefore, one of the reasons why I've asked Steve to come is that I encourage the folks at the pharmacies to get the information in hand to distribute to your customers. If you see somebody hurting, this will help them not hurt. This is a good deal. And again, I recognize that part of the problem we have is to convince people who don't really—some people don't want to change. I know that. You know, you kind of get set in your ways, and it's just kind of inconvenient to change. But in this case, take a look at the change. Take a look at this program because it's worthwhile. And as Steve said, I guess you see people having to make these tough choices.

Mr. Preston. Yes, and our pharmacists are going to be very knowledgeable as to where to contact and how to get enrolled in this program. When the drug discount plan came up, we were instrumental in getting a lot of the people that really needed the help involved in that program.

The President. Saved some money.

Mr. Preston. Including my own father.

The President. That's good.

Q. And he——

The President. By the way, let me stop you on that. "Including my own father," I mean, that should be, you know, this is what we expect sons to be doing, isn't it, saying, "Hey, Dad, it's an interesting way to make your life better." Sons and daughters must participate in helping their moms and dads or grandparents understand what's available. I mean, this is a chance to do our duty. I'm going to try to handle my mother. He handled his father. And so—[*laughter*]—keep rolling.

Mr. Preston. And that wasn't always real easy with him, because I was sending him his prescriptions anyway, but he didn't want me absorbing the cost of them. It bothered him a whole lot.

The President. Yes.

Mr. Preston. And so when I enrolled him in the program, he thinks it's great now. Now he takes everything on time. In fact, he calls me now and asks me to make sure I send them because he's getting down to a week or two.

The President. The drug discount card has worked for 6 million seniors. Now there's about 42 million on Medicare. And so you can see the scale of work we've got to do. We've got to go from the 6 million to make sure this message gets to 42 million. That's why I'm asking for your help. That's why I'm asking for Steve's help. I see other pharmacists here. I want

to thank you all for coming. This is a great chance for you, a really good opportunity to take the information and lay it out to your customers. I mean, not only will you make sure you've got a customer; you'll make sure you've done somebody a good service as well.

Thanks, fine job. Anything else you want to offer?

Mr. Preston. Not at all.

The President. You've been a pharmacist for 30 years?

Mr. Preston. Almost 30.

The President. Yes, started when you were 12? [*Laughter*]

Anyway, Tamera Shumaker.

Tamera Shumaker. Yes.

The President. Tamera, what do you do?

Ms. Shumaker. I work at Walgreen's as a pharmacist also.

The President. Pharmacist, right?

Ms. Shumaker. That's correct.

The President. Little competition here. Nothing like a little competition to keep the economy going, by the way. [*Laughter*] But you're also a caregiver for your mom, you told me?

Ms. Shumaker. I am, and that's why I'm sitting here. I am 30 years old, and I have a mother that's going to be 54 in a couple weeks. And she suffers from a mental illness, and so medications are a big part of her daily life. And I have been able, because there are so many available programs out there, I've been able to get her on disability, which is a great program. And with disability, she can be eligible for Medicare. And because she doesn't have the assets to pay for them, when this new program comes out in January, she will be getting her prescriptions free of charge, which is a nice burden taken off myself and my brothers and the rest of the family.

The President. Yes, see, it's interesting. This program is obviously for older folks but also for the disabled as well. That's why Tamera is here, and her mom qualifies. Now, her job as the caregiver is to find all this information out, take the form—right? I'm kind of leading you along here.

Ms. Shumaker. Absolutely. Well, it——

The President. Not even a lawyer, and I'm leading the witness. [*Laughter*]

Ms. Shumaker. Part of it is that when my mom gets forms that come in the mail and they're five, six, seven pages long, she becomes very overwhelmed very easily. And so immediately it usually goes into the trash, and she doesn't even remember that she's gotten the information. So I feel it's very important if someone can step up and help them through that process, because it's so overwhelming for them that it's a lot easier for me to come in, for me to go onto the Internet, which she wouldn't even know how to turn the computer on, but people to do that and get that information out there and get it set up. And it makes her feel really well, also, because she doesn't have to rely on us.

The President. Yes, see, this is what it's going to take to get people to understand what's available, the spirit you've just heard here. You've got the community center; people come—people come to get exercise. They come to do all projects. One project that we're going to make sure that the community centers do is "look at what's available" project, the new Medicare project. I don't know what you call it, but just make sure it happens.

Then we've got the volunteer. We got the volunteers, people who take time out of their lives to help somebody. No better way to help somebody, no better way to make somebody's life better than to find a senior and say, this is a—that doesn't understand the program, and say, "This is available for you." It's a fantastic opportunity.

Then we've got the small-business guy who sees a lot of people that are going to benefit from this program. So he's now—he's not going to say, "What can I sell you?" He's now going to say, "Here's how I'm going to help you. Here's what I'm going to do as a citizen who cares

deeply about my community, how I'm going to help you."

And then we got the daughter, and sons and daughters—I keep saying this, I know, but we've got responsibilities in our society. Those of us who have been—who are coming up have got responsibilities to those who raised us, I think. A healthy society is one in which people assume responsibility, and there's no greater responsibility than loving your mom or dad. And the best way to love a mom or a dad is to learn about this drug benefit in Medicare and help them—help them apply for it, and you will have done your duty as well.

I want to thank you all for coming. I hope you got the message. The message is, there's good help coming. The law has been passed. I proudly signed it. Starting October the 1st, the different programs available for seniors will become available. In the meantime, fill out a form to qualify for the low-income benefit which will then be available, starting January the 1st. These are a lot of dates, I know, but it's not all that many. November the 15th, the program opens for enrollment. You have until May 15th so you can get the discount on the drugs. And I urge you to pass the word, and I urge you to participate. And I urge our seniors in Minnesota and all across the country to make sure you take a look at this new Medicare bill. It's going to help your life a lot.

Thank you all for coming today. I thank our panelists. God bless.

NOTE: The President spoke at 11:07 a.m. at the Maple Grove Community Center. In his remarks, he referred to Gov. Tim Pawlenty and Secretary of State Mary Kiffmeyer of Minnesota; Mayor Mark Steffenson of Maple Grove, MN; and Lisa Jost, manager, Maple Grove Community Center.

Statement on the Birthday of Aung San Suu Kyi
June 17, 2005

I send my best wishes to Daw Aung San Suu Kyi for her 60th birthday, June 19. Her strength, courage, and personal sacrifice in standing up for the oppressed people of Burma have inspired those who stand for freedom. Only a return to democracy and reintegration with the international community can bring the freedom and prosperity that the people of Burma deserve. The United States looks forward to the time when Burma is democratic and free.

Message to the Congress on Continuation of the National Emergency With Respect to the Risk of Nuclear Proliferation Created by the Accumulation of Weapons-Usable Fissile Material in the Territory of the Russian Federation
June 17, 2005

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the

emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication, stating that the emergency declared with respect to the accumulation of a large volume of weapons-usable fissile material in the territory of the Russian Federation is to continue beyond June 21, 2005. The most recent notice continuing this emergency was published in the *Federal Register* on June 18, 2004 (69 *FR* 34047).

It remains a major national security goal of the United States to ensure that fissile material removed from Russian nuclear weapons pursuant to various arms control and disarmament agreements is dedicated to peaceful uses, subject to transparency measures, and protected from diversion to activities of proliferation concern. The accumulation of a large volume of weapons-usable fissile material in the territory of the Russian Federation continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, I have determined that it is necessary to continue the national emergency declared with respect to the accumulation of a large volume of weapons-usable fissile material in the territory of the Russian Federation and maintain in force these emergency authorities to respond to this threat.

GEORGE W. BUSH

The White House,
June 17, 2005.

NOTE: The notice is listed in Appendix D at the end of this volume.

The President's Radio Address
June 18, 2005

Good morning. Today, we face two issues of vital importance for all Americans, growing our economy and protecting our citizens from those who wish to do us harm. So in the weeks ahead, I will continue to focus on ways to ensure that our Government takes the side of working families and that America prevails in the war on terror. As we take the steps necessary to achieve these goals, we will make our future one of peace and prosperity.

Today, we have good reason to be optimistic about our economy. More Americans are working today than at any time in our history. More Americans own their homes than at any time in our history. More Americans are going to college and own their own businesses than at any time in our history. And a new economic report shows that inflation is in check. Our policies have put us on the track to growth, but leaders in Washington must not become complacent. We need to work together to ensure that opportunity reaches every corner of our great country.

Delivering opportunity means allowing families to keep more of the money they earn. So we enacted the largest tax relief in a generation. That is only a beginning. You need a reformed Tax Code that is simple, fair, and easy to understand and rewards your hard work and entrepreneurial spirit. And Congress needs to do its part by making the tax relief we passed permanent and burying the death tax forever.

Delivering opportunity also means adapting to the needs of a new century. In this new century, American prosperity will increasingly depend on our ability to sell our goods and services overseas, so we need to pass initiatives like the Central American-Dominican Republic Free Trade Agreement to create a level playing field for American farmers and small businesses.

In this new century, Americans require a reliable and affordable supply of energy. I proposed a comprehensive energy policy to reduce our dependence on foreign oil. In this new century, Americans need to know that if they work hard their whole lives, they will retire with dignity, so we're working to save Social Security to ensure that the next generation of retirees will be as secure in their retirement as today's generation.

As we work to deliver opportunity at home, we're also keeping you safe from threats from abroad. We went to war because we were attacked, and we are at war today because there are still people out there who want to harm our country and hurt our citizens. Some may disagree with my decision to remove Saddam Hussein from power, but all of us can agree that the world's terrorists have now made Iraq a central front in the war on terror. These foreign terrorists violently oppose the rise of a free and democratic Iraq, because they know that when we replace despair and hatred with liberty and hope, they lose their recruiting grounds for terror.

Our troops are fighting these terrorists in Iraq so you will not have to face them here at home. We mourn every one of these brave men and women who have given his or her life for our liberty. The terrorists know they cannot defeat our troops, so they seek to weaken our Nation's resolve. They know there is no room for them in a free and democratic Middle East, so the terrorists and insurgents are trying to get us to retreat. Their goal is to get us to leave before Iraqis have had a chance to show the region what a Government that is elected and truly accountable to its citizens can do for its people.

Time and again, the Iraqi people have defied the skeptics who claim they are not up to the job of building a free society. Nearly a year ago, Iraqis showed they were ready to resume sovereignty. A few months ago, Iraqis showed they could hold free elections. This week, Iraqis have worked on an agreement to expand their constitutional drafting committee to ensure that all communities are represented in the process. I am confident that Iraqis will continue to defy the skeptics if they build a new Iraq that represents the diversity of their nation and assumes greater responsibility for their own security. And when they do, our troops can come home with the honor they have earned.

This mission isn't easy, and it will not be accomplished overnight. We're fighting a ruthless enemy that relishes the killing of innocent men, women, and children. By making their stand in Iraq, the terrorists have made Iraq a vital test for the future security of our country and the free world. We will settle for nothing less than victory.

I'll continue to act to keep our people safe from harm and our future bright. Together we will do what Americans have always done, build a better and more peaceful world for our children and grandchildren.

Thank you for listening.

NOTE: The address was recorded at 7:39 a.m. on June 17 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on June 18. The transcript was made available by the Office of the Press Secretary on June 18 but was embargoed for release until the broadcast. In his address, the President referred to former President Saddam Hussein of Iraq. The Office of the Press Secretary also released a Spanish language transcript of this address.

The President's News Conference With European Union Leaders
June 20, 2005

President Bush. Thank you all. Please be seated. Thanks for coming. There will be opening statements from the three leaders, and then we'll take two questions from the American side, two questions from the European side.

I want to appreciate Council President Juncker and Commission President Barroso, the High Representative Solana and the delegation for coming to the White House today. I've really enjoyed our conversation and enjoyed our lunch. We've covered a lot of topics, and they're important topics.

During the conversation, our talks reminded me about the importance of our partnership and the fact that this partnership is based on common values and shared aspirations, a partnership that really has helped build a Europe that is whole, free, and at peace. The United States continues to support a strong European Union as a partner in spreading freedom and democracy and security and prosperity throughout the world. My message to these leaders and these friends was that we want a Europe strong so we can work together to achieve important objectives and important goals.

One of those important objectives and important goals is the advance of freedom in order to spread peace. We talked about the Middle East. We support the vision of two democratic states, Israel and Palestine living side by side in peace.

We talked about Iraq. This week in Brussels, the EU and the U.S. are cohosting a conference of over 80 countries and international organizations to build support for a free and prosperous Iraq. And I want to thank the leaders for that important initiative. I think it's an important signal for people to hear loud and clear that there may have been past differences over Iraq, but as we move forward, there is a need for the world to work together so that Iraq's democracy will succeed.

We talked about Afghanistan, and I appreciate the contributions of EU member nations to—efforts of—within Afghanistan. After all, 23 members of the EU are contributing troops in Afghanistan, and 12 members of the EU are contributing troops in Iraq, and we appreciate those contributions.

We talked about the broader Middle East. We talked about the need for us to continually support democratic movements. We talked about the Ukraine and Georgia as well as the Balkans. The point is, is that we understand that democratic nations are nations that are—will answer to the hopes and aspirations of their people, and democratic nations are nations that will help us keep the peace.

We talked about terrorism. We talked about visas. We talked about the need to continue to share information to make sure that we cut off money flows to terrorist groups and prevent terrorist organizations from obtaining weapons of mass destruction.

We talked about Iran, and I complimented the EU, complimented Mr. Solana as well as the Foreign Ministers from Great Britain and Germany and France for sending a clear message to the leadership in Iran that we're not going to tolerate the development of a nuclear weapon.

We talked about our collaborative efforts in Darfur. The EU and NATO are working together to help deploy AU peacekeepers in Darfur. And I want to thank the leadership here.

We talked about our economies. There's about a trillion dollars' worth of trade that takes place on an annual basis between the EU and the United States, and that's important. It's important for people working

here in the United States and people working in Europe to understand that trade helps keep—people keep a job. And I recognize that when there's that much trade, there's going to be disputes. But we'll work those disputes out for the sake of our respective countries.

We're committed to the Doha round of the WTO. We're committed to trade that is fair and free. We spent a lot of time talking about China and how to make sure that China understands there are WTO rules that must be adhered to and that China should work to do something with her currency so that the trade between our respective countries is fair. That's all we want. We just want there to be a level playing field. The people in Europe can compete and the people in the United States can compete if we have fair rules and fair trade. And so we talked about how we can work together to make sure that the world trades more freely and more fairly for the sake of our peoples.

All in all, we've had a great discussion. And I'm proud to welcome these two men here to the podium here in the East Room of the White House. I want to thank you for coming. I want to thank you for your friendship.

Which one wants to go first? The oldest guy. [*Laughter*]

Prime Minister Jean-Claude Juncker. As the Commission—as the Commission is slow in decisions, I'll take the floor immediately. [*Laughter*]

President Barroso and myself, we were pleased with the meeting we had with President Bush, the Vice President, and a certain number of Secretaries. We informed our strongest ally of recent developments and events in the European Union. We explained in detail what the real meaning of the French "no" and the Dutch "no" in the recent constitution referenda really are about. We were informing the President on the budgetary issue. As you know, we were unable during the recent European summit to agree on the so-called financial prospectus for the period 2007–2013.

We made clear in our frank and open and friendly talks with the President that the European is not at its knees but that the European Union is playing the role it has on the international scene, that we feel strongly committed to the relations we have established with partners throughout the world and mainly with the U.S., the U.S. being not only a strategic partner but the most important partner we have, not only as far as political strength relations are concerned but also as far as heart relations are concerned, that the European Union will table its decisions after the next coming months and probably years on the Nice Treaty, which is in place and which allows the European Union to function in a proper way and not as proper way as the constitution would have allowed us to do, but the European Union is there.

We were discussing, which was of quite huge importance, economic reform in the European Union. We adopted a few months ago in March the midterm review, the Lisbon Strategy. This is a huge program of economic and social reforms. It's clearly paving the way for a more competitive Europe, for a Europe taking its part in the world's economic development. We were discussing a certain number of monetary issues concerning both the U.S. and the European Union, discussing our relations with other trade partners in the world and with other monetary players in the world.

In fact, the visit we paid to President Bush at the end of the Luxembourg's Presidency of the Council is a happy conclusion of the 6 months, Luxembourg's period. In Europe, we had the pleasure for having President Bush with us in Europe on the 22d of February. This was a huge signal the President was sending to Europe. It was in the course of that meeting that, in fact, both the President and myself, we decided to call for this Iraq conference, which will take place the other day in Brussels.

Although some of us had some differences and divergences with the U.S. when it came to Iraq, this—the fact that we are co-organizing and co-sharing this very important Iraq conference is showing that when it comes to substance, when it comes to progress, when it comes to democracy, to freedom, and to liberty, both the U.S. and the European Union are cooperating closely together and working in the same direction.

So it was an excellent moment.

President Bush. Thank you, sir.

Mr. President.

President Jose Manual Durao Barroso. Thank you. Thank you very much. It was indeed a pleasure for me, for President Juncker, for all the European Union team to be here. We remember the very successful visit of President Bush to Brussels recently, to the European institutions. We really believe the world is a better place when Europe and the United States work well together and we can show results. We have been together promoting democracy, for instance, in Ukraine and in Lebanon, cohosting now the international conference on Iraq. We will continue our close cooperation on Iran and the Middle East, and we will make sure that the Doha round is a success.

Today we also adopted important decisions concerning, for instance, the economic cooperation. We have decided to go even further in our economic relations. Let me tell you that, per a day, our trade is around $1.8 billion. It shows how important our relation is. We will act together decisively to enhance our economic integration, namely in the field of regulatory environment. We believe a regulatory environment, as much as close as possible, is good for the economy of our space.

The European Union is and will remain a very strong and reliable partner for the United States. It's true that we have complex systems in Europe. We are now 25 countries. Very soon we will be 27, about 500 million of people. And we went through a very important enlargement, that it was, indeed, the reunification of Europe, 25, and very soon 27, countries that were very recently divided and now are together, sharing their sovereignty.

So it's no surprise that in this process, some problems may occur. But the European Union is there. We are on business. We are deciding. We are taking decisions every day, internally and externally, and we are committed to this very close relation with the United States.

Let me just underline two points that are very important also in our relation that we will be going on discussing in Gleneagles in the next G–8 summit in Scotland, is the cooperation in terms of environment. We are looking forward—our dialog in United States about climate change, new technologies to face those challenges, energy efficiency, energy security—we adopted an important statement on that—and also development, what we can do together for Africa and for the developing world.

We also adopted a common statement on Africa that shows our commitment. I think this is a real problem, and this is a task of a generation. We are, together, promoting democracy and freedom, but every day 25,000 people die because they don't have enough to eat or they don't have clean water to drink. This is really a shame for our generation, and you cannot accept it as a kind of a natural order of things. It's not natural. Now nobody thinks that slavery is natural, but it was natural for centuries—we could live with slavery. How can we go on living with people dying because they don't have the basic needs? There are enough resources in the world. There are enough resources in the world. What we need is political will and good organization.

And when I say good organization, I say good organization on the donors community but also on them, on the African leaders, on the third world leaders, that they can also work with us for better governance,

for the rule of law, for accountability in their societies, and transparency in their societies. And I hope that this year we can take all advantage of this year with a high-level event in September in New York, with all—the Gleneagles summit and other occasions so that the United States and Europe will be in front running this battle against absolute poverty and also for freedom and democracy around the world.

Thank you.

President Bush. Thank you, Jose.

Couple of questions. Tom [Tom Raum, Associated Press].

Nomination of United Nations Ambassador

Q. Mr. President, by all accounts, the votes just aren't there to end the filibuster against your nomination of John Bolton to go to the U.N. Your Secretary of State, Condoleezza Rice, wouldn't rule out a recess appointment. There is a recess coming up. Where do you go from here? And would a recess appointment give Mr. Bolton enough time to do the kind of changes at the U.N. that you are looking for?

President Bush. I think Mr. Bolton ought to get an up-or-down vote on the Senate floor. That's my call to the Senate. I nominated John Bolton to be the Ambassador to the United Nations for a reason. I'm sharing this now with my friends here. The American people know why I nominated him, because the U.N. needs reform, and I thought it made sense to send a reformer to the United Nations. The U.N. is an important organization, and the American people, I think, will take—will understand how important it is when the U.N. is reformed and is held to account. And so we want more accountability and transparency and less bureaucracy, and John Bolton will help achieve that mission. And so I think it's time for the Senate to give him an up-or-down vote, now. And I'm not sure if they've made the decision to have that vote. I think tomorrow there is going to be an up-or-down vote, if I'm not mistaken, Tom.

Q. Tonight.

President Bush. Tonight? Tonight. Yes. Well, put him in. If they're interested in reforming the United Nations, they ought to approve John Bolton.

Do you want to call on somebody?

European Union-U.S. Relations

Q. Mr. President, you spoke of common values were with Europe and the United States, and a strong Europe. Would you say that today, after the two summits between the European Union and the United States, that the partnership has even become again a friendship between Europe and the United States, and how do you see the role of the Luxembourg Presidency in that issue?

President Bush. Well, I appreciate that. First, the relations with Europe are important relations, and they've—because we do share values. And they're universal values. They're not American values or European values; they're universal values. And those values, being universal, ought to be applied everywhere. And that's human rights, human dignity, rule of law, transparency when it comes to government, decency. And obviously, if the EU and the U.S. speak with one voice on these issues, it's more likely to hear—people will hear it.

I think the friendship between our respective countries in the EU are strong. Obviously, there's been a difference of opinion recently on certain issues, but that doesn't prevent the American people from holding the good folks of Luxembourg or Portugal in high esteem. There's a lot of traffic between our country, a lot of tourism, a lot of trade, a lot of commerce between individual countries within the EU and the United States. And that's because of mutual respect and the desire for people to get to know the world better.

In terms of your Prime Minister, he's an interesting guy. [*Laughter*] He's a lot of fun to be around. He promotes serious

business in a way that endears himself to people. And so I think his Presidency has been an important Presidency for the EU during difficult times, and he's handled it well. And I was going to say he's a piece of work, but that might not translate too well. Is that all right, if I call you a "piece of work"? [*Laughter*]

Prime Minister Juncker. Okay.

President Bush. He's done a good job, and I value his friendship. I think—I know it's really important for people at our—when we sit down at the table, to have a friendship, so we can discuss things in a frank way, in an honest way, without fear of being able to tell people what's on our mind. That's the best way to get things done, and Jean-Claude certainly has been that way, as has Jose.

Adam [Adam Entous, Reuters].

Iraq

Q. Mr. President, we were told that you planned to sharpen your focus on Iraq. Why did this become necessary? And given the recent surge in violence, do you agree with Vice President Dick Cheney's assessment that the insurgency is in its last throes?

President Bush. Adam, I think about Iraq every day—every single day—because I understand we have troops in harm's way, and I understand how dangerous it is there. And the reason it's dangerous is because there's these coldblooded killers that will kill Americans or kill innocent Iraqis in order to try to drive us out of Iraq. I spoke to our commanders today—Commander Abizaid today and will be speaking to General Casey here this week, getting an assessment as to how we're proceeding, if we're making progress toward the goal, which is, on the one hand, a political process moving forward in Iraq, and on the other hand, the Iraqis capable of defending themselves. And the report from the field is that while it's tough, more and more Iraqis are becoming battle-hardened and trained to defend themselves. And that's exactly the strategy that's going to work. And it is going to work. And we will complete this mission for the sake of world peace.

And you just heard the EU is willing to host this conference with the United States in order to help this new democracy move forward. And the reason why is many countries understand that freedom in the heart of the Middle East will make this world more peaceful.

And so, you know, I think about this every day—every single day—and will continue thinking about it, because I understand we've got kids in harm's way. And I worry about their families, and I—obviously, any time there's a death, I grieve. But I want those families to know, one, we're not going to leave them—not going to allow their mission to go in vain, and two, we will complete the mission and the world will be better off for it.

Q. Mr. President, many in Europe——

President Bush. You're offending people here, we got two other—[*laughter*]——

Detainees of the War on Terror

Q. Mr. President, many in Europe are worrying that with the fight against terrorism the commitment of the United States to human rights is not as big as it used to be—that has not only to do with Guantanamo but also with the secret prisons where the CIA holds terror suspects. My question is, what will happen to these people who are held in these secret prisons by the CIA? Will they ever see a judge? Or is your thinking that with some terror suspects, the rule of law should not apply or does not have to have applied?

President Bush. First of all, I appreciate that question, and I understand we—those of us who espouse freedom have an obligation and those who espouse human rights have an obligation to live that—to those—to live up to those words. And I believe we are in Guantanamo. I mean, after all, there's 24-hour inspections by the International Red Cross. You're welcome to go

down yourself—maybe you have—and taking a look at the conditions. I urge members of our press corps to go down to Guantanamo and see how they're treated and to see—and to look at the facts. That's all I ask people to do. There have been, I think, about 800 or so that have been detained there. These are people picked up off the battlefield in Afghanistan. They weren't wearing uniforms. They weren't state sponsored, but they were there to kill.

And so the fundamental question facing our Government was, what do you do with these people? And so we said that they don't apply under the Geneva Convention, but they'll be treated in accord with the Geneva Convention.

And so I would urge you to go down and take a look at Guantanamo. About 200 or so have been released back to their countries. There needs to be a way forward on the other 500 that are there. We're now waiting for a Federal court to decide whether or not they can be tried in a military court, where they'll have rights, of course, or in the civilian courts. We're just waiting for our judicial process to move the process along.

Make no mistake, however, that many of those folks being detained—in humane conditions, I might add—are dangerous people. Some have been released to their previous countries, and they got out, and they went on to the battlefield again. And I have an obligation, as do all of us who are holding office, to protect our people. That's a solemn obligation we all have. And I believe we're meeting that obligation in a humane way.

As well as—we've got some in custody—Khalid Sheikh Mohammed is a classic example, the mastermind of the September the 11th attack that killed over 3,000 of our citizens. And he is being detained because we think he could possibly give us information that might not only protect us but protect citizens in Europe. And at some point in time, he'll be dealt with, but right now, we think it's best that he be kept in custody.

We want to learn as much as we can in this new kind of war about the intention and about the methods and about how these people operate. And they're dangerous, and they're still around, and they'll kill in a moment's notice.

In the long run, the best way to protect ourselves is to spread freedom and human rights and democracy. And—but if you've got questions about Guantanamo, I seriously suggest you go down there and take a look. And—seriously, take an objective look as to how these folks are treated and what has happened to them in the past, and when the courts make the decision they make, we'll act accordingly.

Thank you. I appreciate that. Thank you all very much for coming.

NOTE: The President's news conference began at 1:11 p.m. in the East Room at the White House. Participating in the event were Prime Minister Jean-Claude Juncker of Luxembourg, in his capacity as President of the European Council; and President Jose Manuel Durao Barroso of the European Commission. President Bush referred to Secretary General Javier Solana of the European Council; Gen. John P. Abizaid, USA, combatant commander, U.S. Central Command; Gen. George W. Casey, Jr., USA, commanding general, Multi-National Force—Iraq; and Khalid Sheikh Mohammed, senior Al Qaida leader responsible for planning the September 11, 2001, terrorist attack, who was captured in Pakistan on March 1, 2003.

Joint Statement by the United States and the European Union Working Together To Promote Peace, Prosperity and Progress in the Middle East
June 20, 2005

At our Summit in Dromoland last year, the United States and the European Union pledged our support to the governments and the peoples of the Middle East who have expressed their determination to meet the challenges of modernization, to advance political, social and economic progress, to strengthen democracy, and to respect and promote human rights. We offered this support in a spirit of partnership as well as respect and friendship.

Since then, we have strengthened our dialogue on our respective efforts towards promoting progress and stability in the Broader Middle East and the Mediterranean.

At the June 2004 Summit, we reaffirmed our commitment to a just, comprehensive, and lasting settlement of the Israeli-Palestinian conflict and our common vision of the co-existence of two states, Palestine and Israel, by the creation of an independent, democratic, and viable Palestinian state with contiguity in the West Bank living side by side with Israel and its neighbors in peace and security.

Since then, we have witnessed the successful election of a new leader by the Palestinian people. We are now at a moment of opportunity, and, with our partners in the region, we must seize it. In order to achieve and maintain a lasting peace, we recognize the importance of building a climate of mutual trust and cooperation between Israelis and Palestinians.

We endorse the May 9, 2005, declaration of the Quartet. We stress the importance of a complete and peaceful Israeli withdrawal from Gaza and parts of the northern West Bank in a manner consistent with the road map. We urge the parties to respect their commitments and to refrain from unilateral actions that could prejudge final status issues. We further pledge our full support to the mission of the Quartet's Special Envoy for Gaza Disengagement James Wolfensohn, and we will work with him and the parties to promote viable economic and social development.

We support the holding of free, fair, and transparent multi-party legislative elections in the West Bank, Gaza and East Jerusalem, under the scrutiny of international observers and with full freedom of movement for candidates and voters, as another vital step forward on the path towards building a reformed and accountable Palestinian Authority.

We desire that the Israeli and Palestinian people live in a secure and stable environment. We affirm our support for the mission of General William Ward and will pursue in close coordination our respective efforts to assist the Palestinian security forces. As is required under the roadmap, there must be effective action against terrorism, dismantling of terrorist infrastructure, a freeze on all settlement activity, and dismantling of outposts.

The United States and the European Union share the objective of a peaceful, secure, democratic, and prosperous broader Middle East and Mediterranean region. With close to €3 billion annually in grants and loans from the EU and approximately $2.2 billion in assistance and loan guarantees from the U.S., we are the major donors of assistance to the region.

Through our respective efforts, we seek to promote, in close cooperation with our partners, human rights and democracy, increased access to education and economic opportunities through modern and open societies, closer integration within the region and with the global economy. Our ongoing cooperation to promote peace throughout the region will help our partners to reap

the full benefit of their efforts and our support.

We welcome the accomplishments of the Barcelona Process which were reviewed at the 7th Euro-Mediterranean Ministerial Conference in Luxembourg ahead of the 10th anniversary leaders meeting in November, as well as the U.S. Middle East Partnership Initiative, launched in 2002. We reaffirm our support for the G8's Broader Middle East and North Africa initiative. We welcome in particular the establishment of the Forum for the Future and look forward to its next meeting in Bahrain this autumn.

We have instructed our respective experts on the region to intensify their cooperation in order to strengthen further our support for reform and democratic development.

We welcome the successful elections that have recently taken place in Afghanistan, the Palestinian Territories, Iraq and Lebanon.

While notable progress has been made in a number of countries, significant challenges remain. We welcome the amendment to the Egyptian constitution as progress towards a more broadly-based representative government and encourage the Government of Egypt to play a leadership role by opening its forthcoming elections to international observers. In these, as in all other elections, we stress the importance of freedom of speech, freedom of association and unfettered access to the media, for all candidates.

We share the goal of a peaceful, united and stable Iraq and will continue our cooperative efforts towards this end. The confirmation of the Iraqi Transitional Government following the successful election in January represents an important landmark in the political reconstruction of Iraq. We condemn the terrorist acts of forces seeking to disrupt the lives of the Iraqi people and the political transition process.

Two days from today, at the request of the Iraqi Transitional Government, we will co-host a conference of nations to express international support for Iraq's political transformation, economic recovery, and reconstruction, and strengthening of public order and the rule of law, in accordance with UNSCR 1546 (2004). We have worked closely together to prepare for this important event and we will pursue these efforts in following up the Conference. Working with the Iraqi authorities, the UN, and other relevant actors, we will seek to contribute to the constitutional process and to support the elections which will take place on the basis of the new Constitution.

We recognize the withdrawal of Syrian military personnel from Lebanon as a positive first step toward Syria's compliance with UN Security Council Resolution 1559. We remain insistent that Resolution 1559 be implemented in its entirety, including the disarming of all militias, and the complete and full withdrawal of all Syrian intelligence operatives, as well as an end to interference in Lebanon's internal affairs. We reaffirm our full support for the United Nations' efforts towards these ends.

We urge full cooperation by all parties with the independent international commission of enquiry of the assassination of former Lebanese Prime Minister Rafiq Hariri, established by UNSCR 1595 (2005).

We welcome the events that have taken place this year in Lebanon in furtherance of the democratic process, including the recent elections. We recognize the inherent difficulties facing the new government and remain committed to working with the people of Lebanon to strengthen democratic institutions and promote peace and stability.

Once the Lebanese government has defined its reform agenda and should it so request, we will consider convening an international conference to consolidate support for the Lebanese people and the new government.

NOTE: An original was not available for verification of the content of this joint statement.

Joint Statement by the European Union and the United States Working Together To Promote Democracy and Support Freedom, the Rule of Law and Human Rights Worldwide
June 20, 2005

The European Union and the United States believe that the spread of accountable and representative government, the rule of law, and respect for human rights as enshrined in the Universal Declaration of Human Rights, are a strategic priority as well as a moral necessity. We will continue to work together to advance these priorities around the world.

The work of the United Nations is central both to democracy and human rights. We welcome the proposals put forward by Kofi Annan to renew the UN's commitment and enhance its effectiveness in these areas. Specifically, we value the UN Secretary General's initiatives for reforming the UN human rights mechanisms and for creating a Peacebuilding Commission. We pledge to support the establishment of the UN Democracy Fund to assist countries in strengthening civil society and democratic institutions.

We express our admiration and pledge our support for all those engaged in the defense of freedom, democracy and human rights, in many cases at great personal risk.

We are encouraged by the efforts of many governments to open their societies and political systems. Recognizing that democratic reform is a process that deserves our support, we promise our solidarity and support to those promoting democracy around the world, be it in Ukraine, Georgia, Kyrgyzstan, Lebanon, Iraq, Afghanistan, or elsewhere. We will continue to support pluralism and the development of civil society, and will encourage the political participation of women and minorities.

Free and fair elections are central to democracy. We congratulate the many thousands of citizens who have participated in organizing and observing elections in their own countries and abroad. We pledge to support the work of the United Nations in assisting in the organization of elections and will work together in multilateral fora to further strengthen international election standards and to spread the implementation of objective and fair election assessment mechanisms. We support the principles of impartially-conducted and transparent election administration and observation and commend the efforts undertaken by various regional organizations such as the OSCE or civil society in this context. We will continue to support the holding of free and fair elections in countries undergoing or desiring democratic transitions, including in Afghanistan, Haiti, DRC, Iraq, and in the Palestinian territories.

Democracy is not just a matter of elections; it must be anchored in democratic institutions, separation of powers, human rights, the rule of law, tolerance, good governance, and justice. Our assistance to third countries increasingly takes into account the need to sustain democracy in all these dimensions.

We have worked closely to create a Europe whole, free, and at peace; both the EU and NATO have played an important part in this, and continue to do so. We are confident that the reform process in

the Balkans will further the region's successful integration into Europe. The European Neighborhood Policy and U.S. support for democratic and economic transitions will contribute further to stability, prosperity and partnership. We will in particular continue to coordinate our efforts to promote democracy, the rule of law and respect for human rights in Belarus.

We are witnessing a growing desire for reform in the Middle East and welcome recent democratic developments. Democratic elections in the Palestinian territories, Iraq, and Lebanon have successfully taken place. We recognize the importance of transparent and fair elections and the need to expand freedom and opportunity across the region. We reaffirm our commitments made at Dromoland and Sea Island, and our support for the Forum for the Future and other elements of the G–8 BMENA Initiative. Recognizing that the threat of conflict can undermine democratic reforms, we commit ourselves to support those who are working for the resolution of conflicts, in the Middle East and elsewhere.

We have both encouraged the growth of democratic institutions in many countries in Asia, Africa, and Latin America. We acknowledge the important contributions by regional and multilateral organizations, as well as initiatives such as the Community of Democracies, to promote democracy and respect for fundamental human rights.

We recognize that differences in history, culture and society mean that the paths taken towards democracy and the rule of law will be different and that the systems of government that result will be varied, reflecting local traditions and preferences. Democracy, while it is based on universal values, will not be uniform. However, the desire for justice, freedom, human rights, and accountable and representative government is universal. In the long term, only systems responsive to the wishes of the people they govern can achieve political stability.

NOTE: An original was not available for verification of the content of this joint statement.

Joint Statement by the European Union and United States on the Joint Program of Work on the Nonproliferation of Weapons of Mass Destruction
June 20, 2005

Proliferation of weapons of mass destruction (WMD) and their delivery systems continue to be a preeminent threat to international peace and security. This global challenge needs to be tackled individually and collectively, and requires an effective global response. We are fully committed to support in that respect the important role of the United Nations Security Council and other key UN institutions.

The United States and the European Union are steadfast partners in the fight against the proliferation of weapons of mass destruction, and will undertake several new initiatives to strengthen our cooperation and coordination in this important arena, even as we enhance our ongoing efforts.

Building Global Support for Nonproliferation: The European Union and the United States will enhance information sharing, discuss assessments of proliferation risks, and work together to broaden global support for and participation in nonproliferation endeavors. We will increase transparency about our nonproliferation dialogues with other countries to ensure, to the extent possible consistency in our nonproliferation messages.

We reaffirm our willingness to work together to implement and strengthen key

arms control, disarmament and non-proliferation treaties, agreements and commitments that ban the proliferation of WMD and their delivery systems. In particular we underline the importance of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the Biological and Toxin Weapons Convention and the Chemical Weapons Convention. We will increase our effort to promote, individually or, where appropriate, jointly, the universalisation of these Treaties and Conventions and the adherence to the Hague Code of Conduct against the proliferation of ballistic missiles.

Reinforcing the NPT: The EU and the US reaffirm that the NPT is central to preventing the spread of nuclear weapons. The EU and the US stress the urgency to maintain the authority and the integrity of the Treaty. To that end, the EU and the U.S. recommit to fulfill our obligations under the Treaty while working together in order to strengthen it. We will evaluate lessons learned from the 2005 Review Conference and continue to stress the importance of compliance with and universal adherence to the NPT.

Recognizing the Importance of the Biological Threat: The EU and the US will work together in advance of the upcoming BTWC- Review Conference in 2006, in order to strengthen the Biological Weapons and Toxin Weapons Convention.

Promoting Full Implementation of UNSCR 1540: We will coordinate efforts to assist and enhance the work being done by the UNSCR 1540 Committee, and compliance with the resolution. We will work together to respond, where possible, to assistance requests from States seeking to implement the requirements set by the UNSC Resolution 1540 and in particular, to put in place national legal regulatory, and enforcement measures against proliferation.

Establishing a Dialogue on Compliance and Verification: The European Union and the United States renew their call on all States to comply with their arms control, disarmament and non-proliferation agreements and commitments. We will seek to ensure, through regular exchanges, strict implementation of compliance with these agreements and commitments. We will continue to support the multilateral institutions charged with verifying activities under relevant treaties and agreements. We will ask our experts to discuss issues of compliance and verification in order to identify areas of possible cooperation and joint undertaking.

Strengthening the IAEA: The U.S. and the EU welcome the steps taken earlier this month by the Board of Governors of the IAEA that created a new Committee on Safeguards and Verification, which will enhance the IAEA's effectiveness and strengthen its ability to ensure that nations comply with their NPT safeguards obligations. We will work together to ensure all States conclude a comprehensive safeguards agreement and an Additional Protocol with the IAEA. We agree that the Additional Protocol should become a standard for nuclear cooperation and non-proliferation.

Advancing the Proliferation Security Initiative: As we enhance our own capabilities, laws and regulations to improve our readiness for interdiction actions, we pledge to strengthen the Proliferation Security Initiative and encourage PSI countries to support enhanced cooperation against proliferation networks, including tracking and halting financial transactions related to proliferation.

Global Partnership: The U.S. and the EU reaffirm our commitment to the Global Partnership Initiative Against the Spread of Weapons and Materials of Mass Destruction. We will assess ongoing and emerging threats and coordinate our nonproliferation cooperation, including with other participating states, to focus resources on priority concerns and to make the most effective use of our resources.

Enhancing Nuclear Security: We intend to expand and deepen cooperation to enhance the security of nuclear and radiological materials. We welcome the establishment of the Global Threat Reduction

Initiative (GTRI) and will cooperate closely to implement this important new initiative, including by exploring opportunities under the GTRI to reduce the threat posed by radiological dispersal devices and by identifying specific radiological threat reduction projects that could be implemented.

Ensuring Radioactive Source Security: We remain concerned by the risks posed by the potential use of radioactive sources for terrorist purposes. We will work towards having effective controls applied by the end of 2005 in accordance with the IAEA Guidance on the Import and Export of Radioactive Sources. We will support IAEA efforts to assist countries that need such assistance to establish effective and sustainable controls.

Rationalizing Multilateral Disarmament Work: We will continue to cooperate in order to overcome the stalemate in the Conference on Disarmament and pursue reforming of the UN General Assembly's First Committee on disarmament and international security. These initiatives are part of our broader efforts to streamline and make the multilateral disarmament, arms control and non-proliferation machinery more responsive.

The U.S. and the EU take special note of the Conference to Consider and Adopt Amendments to the Convention on the Physical Protection of Nuclear Material (CPPNM) that will take place at the IAEA, July 4–8 2005, and we urge all States Parties to the CPPNM to attend and fully support adoption of an amended Convention.

NOTE: An original was not available for verification of the content of this joint statement.

Remarks Following Discussions With Prime Minister Phan Van Khai of Vietnam

June 21, 2005

President Bush. There will be two opening statements this morning. Mr. Prime Minister, welcome. I want to thank you for the constructive visit we just had. We discussed a wide range of subjects. We discussed our economic relations. And I noted that the Vietnamese economy is growing quite substantially. We talked about our desire for Vietnam to join the WTO. We talked about security issues and a mutual desire to coordinate in the war on terror.

We talked about humanitarian issues. As the Prime Minister noted, the United States is supporting the fight against HIV/AIDS in Vietnam, and he gave me a report on the progress about our mutual desire to help those who suffer with HIV/AIDS. We signed a landmark agreement that will make it easier for people to worship freely in Vietnam.

And finally, I want to thank the Prime Minister for his Government's willingness to continue to work on the—on finding the remains of those who lost their lives in Vietnam. It's very comforting to many families here in America to understand that the Government is providing information to help close a sad chapter in their lives.

And finally, the Prime Minister graciously invited me to Vietnam. I will be going in 2006. I'm looking forward to my trip. I'm also looking forward to the APEC Summit that Vietnam will be hosting.

Mr. Prime Minister, welcome.

Prime Minister Khai. Thank you very much Mr. President, ladies and gentlemen.

At the invitation of President George W. Bush, it gives me the great pleasure and honor as the first Vietnamese Prime Minister to pay an official visit to the United

States. And this event, in itself, shows that Vietnam-U.S. relations have in fact entered a new stage of development. My visit to America this time coincides with the 10th anniversary of the establishment of our diplomatic relations.

During the talks that I had with Mr. President, Mr. President and I were pleased to note the significant developments in the two countries' relations, including the good progress made in addressing the various issues left over by the past as well as the various steps to be taken to expand our relations in the future.

Mr. President and I also shared the view that proceeding from the interest of the two countries and given the new developments in the region and the world, the two countries' relationship should be enhanced. And we should aim to build a friendly relationship, constructive partnership, a comprehensive cooperation on a long-term and stable basis as well as on the basis of equality, mutual respect and benefits.

We believe that America can find in Vietnam a potential cooperation partner. We have a population of 80 million people, which means a huge market for American businesses. And these people are also very hard working, creative, and dynamic. And they are now working very hard to achieve the goal of building Vietnam into a strong country with wealthy people and a democratic and advanced society.

Vietnam is also actively integrating itself into the world economy and wishes to be a friend and reliable partner of all countries in the international community. I also highly appreciate Mr. President's strong support for Vietnam's early WTO accession, and we agreed that Vietnam's accession will be in the benefits of both countries, and we agree to continue with our bilateral negotiations with the aim of concluding those very soon.

Mr. President and I also agreed that there remain differences between our two countries due to the different conditions that we have—the different histories and cultures. But we also agreed that we should work together through constructive dialog based upon mutual respect to reduce those differences in order to improve our bilateral relations.

On international issues, Mr. President and I exchanged views on the recent developments in Asia and the Pacific, which we are both concerned about. And we also agreed on the needs to improve the effectiveness of APEC for which the 2006 APEC Summit in Vietnam will be an important milestone.

I am also delighted that President Bush has accepted my invitation to visit Vietnam and to attend the 2006 APEC Summit, and we also welcome your support for the organization of this summit.

I am fully confident that my visit to America this time will help uplift the relationship between our two countries to a new height, and may I finally wish America prosperity and happiness to her people.

I thank you very much for your time.

President Bush. Thank you very much.

NOTE: The President spoke at 10:01 a.m. in the Oval Office at the White House. Prime Minister Khai spoke in Vietnamese, and his remarks were translated by an interpreter. A tape was not available for verification of the content of these remarks.

Joint Statement Between the United States of America and the Socialist Republic of Vietnam
June 21, 2005

President George W. Bush welcomed Prime Minister Phan Van Khai to the White House today to discuss ways to strengthen bilateral ties on the occasion of the 10th anniversary of the establishment of diplomatic relations between the United States and Vietnam. The President and Prime Minister expressed satisfaction with progress to date and affirmed that U.S.-Vietnam relations are characterized by mutual respect, growing economic and commercial ties, shared interests in regional peace, prosperity, and security in Southeast Asia and the Asia Pacific region, and increasing cooperation on a range of common concerns. Both leaders reaffirmed their intention to continue dialogue on issues on which differences remain.

The President and Prime Minister underscored the two countries' common interest in further strengthening bilateral cooperation in the context of a stable and durable partnership. To this end, the President and Prime Minister stated their intention to bring bilateral relations to a higher plane by developing a friendly, constructive, and multi-faceted cooperative partnership on the basis of equality, mutual respect, and mutual benefit. In that spirit, the two leaders agreed to encourage greater contact between their countries' respective executive and legislative branches, commercial and scientific communities, militaries, and citizens and to encourage more cultural and educational exchanges, in particular through the Vietnam Education Foundation. They further agreed to strengthen bilateral and multilateral cooperation on transnational issues, including the global fight against terrorism, transnational crime, narcotics, and trafficking in persons and to deepen cooperation on health and humanitarian issues, including the prevention of pandemics, especially of HIV/AIDS and Avian Influenza.

The President and Prime Minister applauded the success of our 2001 Bilateral Trade Agreement (BTA) in accelerating two-way trade, and they reaffirmed their governments' determination to implement fully the commitments made under that agreement. President Bush expressed strong support for Vietnam's accession to the World Trade Organization. The two leaders welcomed the substantial progress achieved on the complete range of issues in the recent bilateral negotiations regarding the obligations of membership and agreed to intensify efforts to resolve remaining issues. They also agreed to work together to promote favorable conditions for increased U.S. investment in Vietnam.

President Bush expressed appreciation for Vietnam's ongoing cooperation in our joint humanitarian effort to achieve the fullest possible accounting for Americans who remain missing in action from the war, especially through Joint Field Activities that have identified and repatriated the remains of more than 520 U.S. soldiers. The Prime Minister reaffirmed Vietnam's willingness to continue its close cooperation on this matter by carrying out newly agreed measures. The two leaders agreed to continue cooperation to address a range of issues that remain from the war.

The Prime Minister briefed the President on Vietnam's determination to further economic, social, and legal reforms. The two leaders agreed on the importance of continuing an open and candid dialogue on issues of common concern, including human-rights practices and conditions for religious believers and ethnic minorities. The President welcomed Vietnam's efforts to date and encouraged further progress.

The President and the Prime Minister attached great importance to the efforts of Vietnamese-Americans and Vietnamese residing in the United States in promoting friendly and cooperative relations between the two countries. The Prime Minister welcomed their contributions in strengthening Vietnam's economic and social development, and he discussed his government's efforts to encourage and facilitate visits and investment. The President welcomed these efforts and reiterated the U.S. government's support for Vietnam's security and territorial integrity.

The President and Prime Minister shared a vision of peace, prosperity, and security in Southeast Asia and the Asia-Pacific region, and they agreed to cooperate bilaterally and multilaterally to promote these goals. The President underscored the United States Government's support for peace, stability, and cooperation in Southeast Asia and for the Association of Southeast Asian Nations (ASEAN), of which Vietnam is an active member. The two leaders noted the central role of the Asia-Pacific Economic Cooperation (APEC) forum in supporting trade and investment liberalization and in promoting cooperative efforts to strengthen regional security. The President congratulated Vietnam on its decision to host the APEC Summit in Hanoi in 2006 and pledged to work closely with Vietnam and other member economies to make the Summit a great success. Prime Minister Phan Van Khai welcomed President Bush's expression of support and invited the President to pay an official visit to Vietnam in conjunction with his attendance at the 2006 APEC Summit.

NOTE: An original was not available for verification of the content of this joint statement.

Remarks at a Swearing-In Ceremony for Ben S. Bernanke as the Chairman of the Council of Economic Advisers
June 21, 2005

The President. Good morning. Thank you all for coming. I'm pleased to congratulate a distinguished economist and public servant, Ben Bernanke, on becoming the new Chairman of the Council of Economic Advisers. Congratulations. I'm also honored to have Ben's wife, Anna, and his two children, Alyssa and Joel, with us; thank you all for coming.

Ben has taught advanced economics at some of our Nation's top universities for over two decades. And for nearly 3 years, he has done an outstanding job as a member of the Federal Reserve Board of Governors. He's a talented, visionary thinker. I'll look forward to his advice. I'll look forward to his counsel. And there's no doubt in my mind he will be an outstanding Chairman of the CEA.

Ben follows three others who have done a superb job as Chairmen of my Council of Economic Advisers: Harvey Rosen—there he is—[*laughter*]—Greg Mankiw, and Glenn Hubbard. I'm grateful to have had such able and dedicated counselors. I thank them for their service.

I appreciate the Director of the OMB and member of my Cabinet who has joined us today, Josh Bolten. I want to thank my friend Al Hubbard, the Director of the National Economic Council, with whom Ben will be working closely.

I'm most grateful, and I know Ben is as well—is that the Chairman of the Federal Reserve, Mr. Alan Greenspan, has joined us today—welcome—as well as Roger Ferguson, the Vice Chairman of the Fed. I appreciate you all coming.

I want to thank Ned Gramlich, a Governor of the Federal Reserve; Susan Bies, a Governor of the Federal Reserve. I want to thank the staff of the Council of Economic Advisers who have joined us today. You're fixing to work for a good man.

Ben will lead the CEA at an important time for our economy. Today, Americans have many reasons to be optimistic about our economic future. After all, our economy is growing faster than that of any other major industrialized nation. Over the last 2 years, we've added more than 3.5 million new jobs. The unemployment rate is down to 5.1 percent. That is lower than the average rate of the 1970s, the 1980s, and the 1990s. More Americans are working today than ever before. Small businesses are flourishing. Families are taking home more of what they earn, and more people own their homes than ever before.

We've got to build on those achievements to make sure we have lasting prosperity in America. I look forward to Ben's advice as we continue to advance a progrowth, projobs agenda. By making our economy more flexible, more innovative, and more competitive, we'll keep America the economic leader of the world.

Our agenda for a stronger economy begins with allowing families to keep more of the money they earn. To get the economy growing again after the September the 11th attacks, we enacted the largest tax relief in a generation. In order to make sure that that tax relief continues to work on behalf of entrepreneurs and small businesses and families, Congress needs to make that tax relief permanent. We also need a reformed Tax Code that is simple and fair and easy to understand. I'm looking forward to Ben's advice on the definition of a good, reformed Tax Code.

To keep America the economic leader of the world, we must recognize that the money we spend belongs to the taxpayers, not to the Government. We'll insist on a budget that tames the spending appetite of the Federal Government and stays on track to cut the deficit in half by 2009.

To keep America the economic leader of the world, we must free our small businesses from needless regulations and protect honest job creators from junk lawsuits. Congress needs to pass the asbestos liability bill—now. And this year we also need to pass medical liability. To keep health care more affordable and accessible, we've got to work to pass association health plans and continue to expand health savings accounts. To ensure America's future prosperity, we'll continue to insist upon high results and measuring achievements so that every child can learn to read and write and add and subtract.

To keep America the economic leader of the world, we will strengthen the institutions that underpin our society. Americans need to know that if they work hard their whole lives, they'll be able to retire with confidence and peace of mind, so we're working to save Social Security for a younger generation of workers. We want to make sure the next generation of retirees will be as secure in their retirement as today's retirees.

Americans will require a reliable and affordable energy supply if we want to be the leader of the world, and so that's why I proposed a comprehensive energy policy 4 years ago to reduce our dependence upon foreign oil. Now is the time for the United States Congress to get an energy bill on my desk that will allow us to diversify away from the hydrocarbon society in which we live.

In this new century, American prosperity will increasingly depend on our ability to sell our goods and services overseas. We need to pass CAFTA, the Central American-Dominican Republic Free Trade Agreement, to show the world our commitment to free and fair trade and to stand squarely with those young democracies in our own hemisphere.

A vibrant economy requires a strong and confident economic leadership, and I am

happy to have Ben's experience. I want to thank Ben for agreeing to serve at an important time for our economy, and I look forward to his wise counsel. Congratulations.

[*At this point, Chairman Bernanke made brief remarks.*]

The President. Hold off on a happy birthday for a minute. [*Laughter*]

[*Chairman Bernanke made further remarks.*]

The President. Good job, Ben. Thanks for coming.

NOTE: The President spoke at 10:26 a.m. in Room 450 of the Dwight D. Eisenhower Executive Office Building. The transcript released by the Office of the Press Secretary also included the remarks of Chairman Bernanke.

Satellite Remarks to the Southern Baptist Convention Annual Meeting *June 21, 2005*

Bobby, thank you very much for your kind introduction. And thank you for letting me address this convention. I'm so honored to be able to speak to you from Washington, DC. And Bobby, I appreciate you. I appreciate you for wearing our Nation's uniform and for earning the Bronze Star and the Purple Heart as an Army officer. I know you share in my sentiments when I say that we are grateful for the goodness and courage of the men and women of our military. We're grateful for the support and sacrifices of our military families. And I want to thank the Southern Baptists' campaign to send out postcards to our troops in the field. I appreciate what you're doing. Our men and women appreciate even more; they appreciate your prayerful support as they protect our liberty.

Laura and I also want to—at least I want to tell you, on behalf of Laura, that we really appreciate your prayers, the prayers of our Baptist friends that have sustained us and uplifted us. I cannot tell you the number of times Americans have said to me, "Mr. President, I pray for you and your family." And I tell them the same thing I'm telling you now, that is the greatest gift anyone can give to me and Laura, and thank you for your prayers.

From the landing of the pilgrims at Plymouth Rock, the men and women who founded this Nation in freedom relied on prayer to protect it and preserve it. In 1789, President George Washington called America's Baptists the firm friends of liberty. Today, another President, George W., thanks you, because more than two centuries later, you remain firm in your dedication to God and country.

You believe that the ideal of religious liberty is a free church in a free state. And you know that freedom is a divine gift that carries serious responsibilities. We are called by our Creator to use this gift of freedom to build a more compassionate society, where families are strong, life is valued, and the poor and the sick can count on the love and help of their neighbors.

Building a more compassionate society starts with preserving the source of compassion, the family. Strong families teach children to live moral lives and help us pass down the values that define a caring society. And Southern Baptists are practicing compassion by defending the family and the sacred institution of marriage. Because marriage is a sacred institution and the foundation of society, it should not be redefined by local officials and activist judges.

For the good of families, children, and society, I support a constitutional amendment to protect the institution of marriage.

And for the good of our legal system, I will also continue to nominate Federal judges who faithfully interpret the law and do not legislate from the bench. Every judicial nominee deserves an up-or-down vote on the floor of the United States Senate, and I thank you for your strong support of the fairminded jurists I have named to the Federal courts.

Building a more compassionate society also depends on building a culture of life. A compassionate society protects and defends its most vulnerable members at every stage of life. A compassionate society supports the principles of ethical science. When we seek to improve human life, we must always preserve human dignity, so that's why we stand against cloning. A compassionate society rejects partial-birth abortion. And I signed a law to end that brutal practice, and my administration will continue working to defend that law. To advance a culture of life, I was proud to sign the Born-Alive Infants Protection Act and the Unborn Victims of Violence Act.

A compassionate society will not sanction the creation of life only to destroy it. At the White House, I recently met with 21 remarkable families, each of whom either adopted or gave up for adoption frozen embryos that remained after fertility treatments. The children I met confirm our shared belief that America can pursue the tremendous possibilities of science and, at the same time, remain an ethical and compassionate society. With your continued dedication and work, we will continue to build a culture of life in America, and America will be better off for it.

Finally, building a more compassionate society requires that we mobilize our Nation's armies of compassion to help the poor, the sick, and those who hurt. America's faith-based institutions change hearts every day. And we depend on the work of these organizations to bring hope to harsh places. Yet for too long, the Governments have discriminated against faith-based programs, just because they have a cross or a Star of David or a crescent on the wall. And that's why I signed an Executive order that said that faith-based groups providing social services are entitled to the same access to Federal money as other groups. I am proud that we have now opened billions of dollars in grant money to competition that includes our faith-based charities. For example, my administration awarded College Park Baptist Church in Orlando, Florida, $5.8 million to build 68 homes for low-income seniors.

Because faith-based groups should never have to forfeit their religious liberty to get Federal dollars—and that's an important concept—we want your help. We want your love, but at the same time, you do not have to forget the mission of faith or ignore the mission of faith that calls you to action in the first place. And that's why the Executive order I signed should be codified into Federal law. Congress needs to pass charitable choice legislation to forever guarantee equal treatment for our faith-based organizations when they compete for Federal funds.

Southern Baptists are the soldiers in the armies of compassion at home and abroad. You're bringing hope to the continent of Africa, and I thank you for that. In Uganda, Southern Baptists have emphasized abstinence and helped as that country reduced the percentage of people infected with HIV by more than two-thirds in less than a decade and a half. In Sudan and other countries across Africa, the Samaritan's Purse ministry provides food and water and medical care and education to suffering people.

Helping Africa is a mission we share. I recently announced $674 million in emergency humanitarian aid to Africa. We and our African partners have together brought life-saving AIDS treatment to more than 200,000 people in sub-Sahara Africa. We're

on track to meeting a 5-year goal of treating nearly 2 million African adults and children for HIV/AIDS.

Service to others is a long Baptist tradition. One of the most popular hymns in the Baptist hymnal cries out to the Lord, "Thy compassions, they fail not." The compassion of Southern Baptists toward your neighbors in America and around the world has helped heal broken hearts. Where there is despair, you provide hope, and you help those who need love find love. As you work to feed the hungry and provide shelter for the homeless, you are changing America and the world for the better—one heart, one soul, and one conscience at a time.

I've come to your convention via video to thank you for all you do. Thank you for your love for your country. Thank you for your love for your neighbor.

May God bless you all, and may God continue to bless the United States of America.

NOTE: The President spoke by satellite at 11:55 a.m. from the Map Room at the White House to the convention meeting in Nashville, TN. In his remarks, he referred to Bobby Welch, president, Southern Baptist Convention.

Remarks at Calvert Cliffs Nuclear Power Plant in Lusby, Maryland
June 22, 2005

The President. Thanks for the warm welcome. Thanks for letting me interrupt your workday. [*Laughter*] I hope it's okay. [*Laughter*] I really appreciate you having me. It's a good—I like to get out of Washington, and I like to pay a visit to our neighbors outside the Beltway. So I appreciate you letting me come by.

Thanks for the tour of this important facility. I want to thank those back at the control room for being so gracious and kind and taking time to explain all the dials and gauges. [*Laughter*] I can play like I understand what I saw. [*Laughter*]

But one thing is for certain, that when the people of Maryland flip a switch and see their lights come on, they need to thank the people working here at this plant. This plant is providing a lot of important power for people all over the State of Maryland. I've come to talk about economic security. I've come to talk about the need to get a good energy policy out of the Congress. And there's no better place to do it than right here in Calvert Cliffs. Thanks for letting me come.

Laura didn't come with me. She's out west with our daughter Jenna in the Grand Canyon. How about that? [*Laughter*] She's doing a great job as the First Lady. She is a fabulous wife and a great mom, and she sends her best to all the good folks who work here at Calvert Cliffs.

I appreciate the Secretary of Energy joining me today. He's a good man. He knows a lot about the subject, you'll be pleased to hear. I was teasing him—he taught at MIT and—do you have a Ph.D.?

Secretary of Energy Samuel W. Bodman. Yes.

The President. Yes, Ph.D. [*Laughter*] Now I want you to pay careful attention to this. He's the Ph.D., and I'm the C student, but notice who is the adviser and who is the President. [*Laughter*] He's a good man, and I really appreciate working with Sam to achieve a great national goal, which is become less dependent on foreign sources of energy.

I appreciate Nils Diaz, who is the Chairman of the NRC, the Nuclear Regulatory Commission. Thanks for coming. I want to

thank Governor Bob Ehrlich from the great State of Maryland. I appreciate you coming, Governor. Thanks for being here. He's a pro-jobs, pro-growth, pro-small-business Governor. And I enjoy working with him to help create an environment that helps people realize their dreams.

I want to thank George Vanderheyden, who is the site vice president of the Calvert Cliffs Nuclear Power Plant. He represents—at least on the tour—represented a lot of the good folks who work here. I want to say something about the folks who work here. I want to thank you for your hard work, and I want to thank you for your patriotism and your love of your country. I understand that six of your fellow employees are now in Iraq. And for the families and the coworkers here, I say: Thank you, on behalf of a grateful nation, for supporting these good folks. These folks are there defeating terrorists who cannot stand the thought of democracy and freedom, defeating them there so we do not have to face them here at home. These folks are there spreading democracy and freedom, understanding that a democratic world is more likely to leave a foundation for peace for our children. So I want to thank you for your sacrifices and thank you for supporting those good folks.

I want to thank the president and the CEO of Constellation Energy, Mayo Shattuck. That's a pretty cool first name, isn't it, Mayo. [*Laughter*] Pass the Mayo. [*Laughter*] His wife, Molly, appreciated that. [*Laughter*] I want to thank Mike Wallace, Skip Bowman. Thank you all. Thanks for letting me come by.

As you know, I'm an optimistic person, and I hope you are as well. These are incredibly hopeful times for our country, and the state of our economy is strong. And Americans from all walks of life have got good reason to be confident about the future of this country. Let me just give you some of the facts. Over the past year, America's economy has grown faster than any major industrialized economy in the world. In other words, we're leading growth when it comes to major industrialized economies.

Over the past 2 years, America has added more than 3.5 million new jobs. The unemployment rate is down to 5.1 percent. That's lower than the average rate in the 1970s, the 1980s, and the 1990s. In Maryland, the unemployment is 4.2 percent. People are working. I'm proud to report that more Americans are working today than ever before in our Nation's history.

Our economy is sustaining low inflation rates, low interest rates, and low mortgage rates. Small businesses are flourishing. Families are taking home more of what they earn. Your after-tax incomes are up. More Americans are going to college than at any other time in our Nation's history. More Americans own their own businesses than ever before. And homeownership in America is at an alltime high. This strong and growing economy is lifting our standard of living, and that's important because that means opportunity is being spread throughout the country.

Now listen, I understand parts of our country are still struggling from the effects of the recession and the attacks. I know some workers are concerned about jobs going overseas. I know some are concerned about gaining the skills necessary to compete in the global market that we live in. I know that families are worried about health care and retirement. And I know moms and dads are worried about their children finding good jobs.

See, even though the numbers are still good, there are still worries out there in the country. And these are the challenges of a rapidly changing economy. And we've got the responsibility in Government to take the side of our working families. So we're moving aggressively. We're not taking the good numbers for granted. We're moving aggressively with a pro-growth, pro-worker set of economic policies that'll enhance economic security in the country.

Economic security happens for our workers and families when we keep your taxes low. It happens when we open up new markets for American products. It happens when we stop the spread of junk lawsuits. We're going to create economic security for moms and dads by making health care more affordable, by guaranteeing a quality education for every child, and ensuring dignity in retirement. And that's what I've come to talk to you about today.

The United States Congress has now an opportunity to create more economic security by passing an energy bill that will make energy more affordable and reliable for generations to come. Energy is vital to the future of this country. Everybody who works here knows that. Everybody who turns on their light switch should know that. It's obvious that we can't expand our economy if businesses don't have energy. You've got to have energy if you're going to be a farmer. You got to have energy if you're just trying to raise a family. If you're a baseball fan, you need energy. I mean, try going to a night ball game—[*laughter*]—without any lights. How about the Nats and the Orioles, by the way, speaking about baseball?

Our Nation needs to confront a basic problem. We're using energy faster than we're producing it. And the problem has been building for a long period of time, because we really haven't confronted this problem. That's why I submitted this strategy to Congress when we first got up to Washington. Over the past decade, America's energy consumption has been growing about 40 times faster than our energy production. Think about that. Four years ago, I said to Congress, "Let's deal with this problem now."

The problem is, there's been a lot of debate and a lot of politics but no results. So now is the time, for the sake of our consumers and business folks and people who are trying to heat their homes in the winter and cool them in the summer and find reasonable gas prices at the—gasoline prices at the pump. It's time for Congress to stop the debate, stop the inaction, and pass an energy bill.

And I appreciate Chairman Barton in the House, that moved a good—where he'd been able to move a good bill to the floor, and it got voted on. I appreciate Senator Domenici of New Mexico for moving a bill out of committee. It's on the Senate floor. They need to get it passed out of the Senate. They need to reconcile their differences. They need to get me a bill before they go home in August. And I'm looking forward to signing that bill, and it's going to be an important part of developing a national energy strategy.

Look, I recognize and I hope you recognize that when I sign that bill, your gasoline prices aren't going to drop. This problem has been long in the making. But by addressing it now, we're going to be able to say, "Life's going to be better for our children and grandchildren."

To make this country less dependent on foreign sources of oil, we need to do the following things: One, we need to encourage our citizens to be better conservers of energy, and technology will help a lot. There's some incentives in the bill to encourage conservation.

We need to make more efficient use of existing energy sources like oil, coal, and natural gas. We've got a lot of coal in this country, about 250 years' worth of coal. I'm convinced that with proper use of technology, that we will be able to develop coal-fired electricity plants that have got zero emissions. We're spending a fair amount of your money to make sure that we can achieve that objective. I think it's a good use of your money. It's a way to help make sure we use an abundant resource that we have here in America without polluting the air.

We need to diversify our energy supply by increasing the use of alternative and renewable sources like ethanol, which is made from corn, or biodiesel made from soybeans. I went to a soybean refinery the

other day in Virginia where they're making diesel fuel from soybeans. With the right, proper use of your dollars to encourage research, it's very conceivable that source of energy will become economic. And that makes sense, doesn't it? Can you imagine walking down the road here in the farmlands of Maryland, see a guy growing soybeans; you say, "Thanks, buddy, for making us less dependent on foreign sources of oil."

So there's some smart things that this energy bill will encourage the country to do, including solar power and hydrogen. I don't know if you remember I laid out, I thought—I know—an interesting initiative. It said, "Why don't we explore how we use hydrogen power—hydrogen to power our cars, to help us diversify away from dependency upon hydrocarbons." And I believe we can develop a hydrogen-power automobile over the next decade or two. I think it will be cool if your young son is able to take a driver's test in a hydrogen-powered automobile that has got zero emissions and, at the same time, will make us less dependent on hydrocarbons which we have to import from foreign countries.

We need to modernize the electricity grid and make reliability standards mandatory. We also need to make—get rid of some of these laws that prohibit the capacity for those people who are building transmission lines and powering our cities and States to be able to raise money in an effective way.

We need to help large energy users like India and China become more efficient. And by helping them develop efficiency standards, it'll take pressure off of global demand for hydrocarbons. One of the reasons why your price of gasoline is going up is, one, we're dependent on foreign sources of oil; and two, economies like China and India are demanding more oil in a limited supply—in a market that's of limited supply, which causes the price of oil to go up, which causes the price of gasoline to go up. So it makes sense to help those who are demanding more energy to be more efficient users of energy.

And I'll take that message to the G–8 in Scotland here, right after the Fourth of July celebrations, to say, "Look, let's work together on a comprehensive energy plan to help these new consumers of energy be better users of energy."

The energy bill will also help us expand our use of the one energy source that is completely domestic, plentiful in quantity, environmentally friendly, and able to generate massive amounts of electricity—and that's nuclear power.

Today, there are 103 nuclear plants in America. They produce about 20 percent of the Nation's electricity without producing a single pound of air pollution or greenhouse gases. I think you told me that 20 percent of all Maryland's electricity is produced here at this plant. Without these nuclear plants, America would release nearly 700 million metric tons more carbon dioxide into the air each year. That's about the same amount of carbon dioxide that now comes from all our cars and trucks.

Across this State, Maryland has looked to Calvert Cliffs to keep their lights on and to keep their land, air, and water clean. In other words, you're generating electricity and helping the environment at the same time. That's an important combination of talents, and it's an important combination of—that the American people have got to understand is possible when we expand nuclear power.

Nuclear power is one of America's safest sources of energy. People out here practice a lot of safety; they're good at it. You've got nuclear engineers and experts that spend a lot of time maintaining a safe environment. Just ask the people that work here. You wouldn't be coming here if it wasn't safe, I suspect. [*Laughter*]

Some Americans remember the problems of the nuclear plants—that the nuclear plants had back in the 1970s. We all remember those days. That frightened a lot of folks. People have got to understand that

advances in sciences and engineering and plant design have made nuclear plants far safer—far safer than ever before. Workers and managers are trained and committed and spend hours working on nuclear safety, and that's good. And they do such a good job here at Calvert Cliffs that this was the first nuclear plant in America to gets its operating license renewed, and I congratulate you.

There is a growing consensus that more nuclear power will lead to a cleaner, safer nation. Slowly but surely, people are beginning to look at the facts. One of the reasons I've come to this plant is to help people understand the difference between fact and fiction. Yet, even though there has been a growing consensus over time, America has not ordered a nuclear plant since the 1970s. By contrast, France has built 58 nuclear plants in the same period of time. By contrast, China now has 8 nuclear plants in the works and plans to build at least 40 more over the next two decades.

In the 21st century, our Nation will need more electricity—more safe, clean, reliable electricity. It is time for this country to start building nuclear powerplants again.

We're taking practical steps to encourage new construction of powerplants. Three years ago, we launched the Nuclear Power 2010 Initiative, which is a $1.1 billion partnership between Government and industry to coordinate the ordering of new plants. The Department of Energy is working with Congress to reduce uncertainty in the nuclear plant licensing process. Look, you don't want to go out and build a plant, spend all the money, and have the license jerked at the last minute. [*Laughter*] Nobody's going to spend money if that's the case.

And so we want to have a rational way to move forward, and one rational way to move forward is to provide incentives for new construction such as Federal risk insurance, to help the builders of the first four plants—that's what's now embedded in the energy bill—first four plants against lawsuits and bureaucratic obstacles and other delays beyond their control.

In other words, there's a rational approach for the Federal Government: On the one hand, to convince the American people nuclear power is safe, that it makes sense for our consumers, it makes sense for the long-term economic security of our country to expand nuclear power; and on the other hand, say to those who are risking capital, "Here's some help. Here's some ways we can provide incentive for you to move forward with the construction of plants."

Delivering a good energy bill is part of a comprehensive agenda, but there's some other things we need to do. One of the last things that we need to do to this economy is to take money out of your pocket and fuel Government. I firmly believe that one of the reasons we recovered the way we did after the recession and September the 11th is because of the tax cuts we passed. I believe that if you've got more money in your pocket, you can spend it wiser than the Federal Government can spend it. And therefore, I think Congress ought to send a strong signal to families and small businesses and risktakers about taxes, and that is: We're going to keep your taxes low. They need to make the tax relief we passed permanent.

Secondly, we need to do something about the Tax Code itself. It's complicated. It's really thick. It makes—it does not reward entrepreneurship. It's unfair. So I called some Republicans and Democrats who care about this issue together. I said, "Come up with a plan to simplify the Tax Code so people can understand it and so it helps achieve some objectives, which is fairness, simplicity, easy to understand." I mean, you shouldn't have to—have to hire all kinds of folks to figure out what's in the Tax Code. And so once we get those recommendations, I look forward to working with Congress to not only keep your taxes low but to make the code simple and easy to understand.

Families understand you've got to live within a budget. That's something that Congress needs to understand as well. So I submitted the most disciplined proposal for nonsecurity discretionary spending since Ronald Reagan was in the White House. I say "nonsecurity"; my attitude is, when we got anybody in harm's way, we're going to spend whatever it takes to make sure they've got the very best equipment and training so they can do their mission. We owe that to the families, and we owe that to their loved ones.

But I'm talking about nonsecurity discretionary spending. And it's important for Congress to adhere to the budgets they passed. And by doing so, we will reduce the deficit in half by 2009. In other words, we can meet priorities. We can keep your taxes low. And if Congress is fiscally wise and sound with your money, we can reduce that deficit in half by 2009. I'm looking forward to working with them to be wise about how we spend your money. Sometimes it's interesting in Washington, you hear, "Well, we're spending the Government's money." That's—when you hear somebody say "the Government's money," get a little nervous, because they have seemed—they seem to have forgotten where that money comes from. See, it's not the Government's money. It's your money that we're spending in Washington, and we've got to be wise about we spend it in order to keep this economy growing.

Another threat to economic security is junk lawsuits. Frivolous lawsuits help drive up the total costs of America's tort system to more than $240 billion a year. That's a burden far greater than any other major industrialized nation, by the way. In order to remain competitive, in order to keep jobs here in America, in order to make sure that people can make a decent living, we've got to do something about these junk lawsuits.

It's one thing to have a legal system where people can—who have got a legitimate claim can go take care of it. It's the junk lawsuits that run up the cost of doing business, junk lawsuits that make it a—America less competitive. These junk lawsuits cost people jobs, and they raise your prices. And so I've been working with Congress and call upon Congress, if we're interested in economic security for the future, let's do something about frivolous lawsuits.

And we're making progress. We got a good bill to curb abuse of class-action lawsuits. There's more to do. I think we need to get something done on the asbestos issue, have a fair bill that says, "We're going to treat the workers who've been harmed well." They deserve to be treated. They deserve to be focused on—not the trial lawyers. And at the same time, provide certainty in the system. Legal reform is a necessary part of keeping this economy going.

And so, by the way, is opening up new markets for America's producers and farmers. We got a chance to break down some trade barriers. I told the people when I was campaigning, I said, "Look, I'm for free trade. I'm also for fair trade. I just want to be treated fairly. If we treat you one way, you treat us the same way."

There's a debate raging in Congress now about the Central American-Dominican Republic Free Trade Agreement. It's called CAFTA. Let me tell you the facts about this trade agreement. I don't know if you realize this, but now 80 percent of the goods from Central America come into our country duty-free. Yet we're not treated the same way down there. Now, that doesn't make sense to me. It seems like to me that it would make sense if we say, "Okay, your goods are already coming in here; treat us the same way. Just level the playing field. You've got 44 million consumers. Open up your markets to our goods just like we've done to you." That's what CAFTA is all about.

See, I have a different approach than some of the economic isolationists who oppose this agreement. I believe they're pessimistic about America. I believe American

workers can compete with anybody, anywhere, anytime, if the rules are fair. And so they need to pass CAFTA to be fair to our farmers and ranchers and workers and small-business owners.

Millions of Americans lack economic security because of the rising cost of health care. Did you know this, that more than half of the uninsured work for small businesses? Isn't that interesting? One way to address health care is to say, "Small businesses ought to be allowed to pool risk so they can buy insurance at the same discount that big companies are able to do." Congress needs to pass what's called association health plans to let small businesses be able to enter the market in a way that is—they're able to spread risk across a lot of employees.

We need to offer incentives for small businesses and low-income workers to open tax-free health savings accounts. If you're running a small business, look into what's called HSAs, health savings accounts. They're really interesting products that'll let your worker manage his or her own money and, at the same time, make health care more affordable for the small business—or large business for that matter. HSAs are an interesting, innovative way for people to get good health care insurance that puts you in charge of the decisionmaking process, that lets you make the decisions and, at the same time, save money for your health care concerns tax-free.

We need to encourage a national marketplace for health insurance. In other words, workers ought to be allowed to go on the Internet and purchase health care across State lines. We've got to create more demand within the health care place. Right now, for example, if you live in Maryland, you only can buy health insurance out of Maryland, the health insurance that is certified out of Maryland. I think you ought to be allowed to go on the Internet, and if you can find a better product for you in Colorado, you ought to be allowed to do that. In other words, we ought to have a consumer-friendly system, where people are encouraged to go out and make choices that meet their needs.

We need to expand health information technology. If you've really looked at your own industry here or industries across America, they're using information technology to modernize and become more efficient. Health care hasn't done that yet. If you look at your file, your medical file, they're generally handwritten. And knowing how doctors write, it's hard to read what they've written. [*Laughter*] But it's an inefficient system. And so to bring health care into the 21st century, we're working on an information technology initiative.

To reduce the cost of medicine for every doctor, every patient, and every business, it's time for Congress to pass medical liability reform. One of the biggest problems we got here in America is junk lawsuits running good doctors out of practice. We've got ob-gyns leaving the practice of medicine all across this country because they can't afford to stay in business. And that's not right.

When I first came to Washington, I said, "Well, maybe medical liability reform was a State issue." I was the Governor of a State, so I was kind of—felt like we could do a better job in our respective States of dealing with medical liability until I looked at the cost of what these junk lawsuits were doing to your Federal budget.

See, if you think you're going to get sued, oftentimes you practice more medicine than necessary. It's called the defensive practice of medicine. Ask your local doctor, and he'll tell you what I mean by that. If you are getting sued a lot, your premiums go up. And in that the Federal Government pays a lot of health care costs through Medicaid, Medicare, veterans health benefits, we're spending a lot of money at the Federal level as a result of these lawsuits.

And so I decided that this was a national problem that required a national solution. And for the sake of affordable and available

health care, Congress needs to pass medical liability reform. And I urge them—I urge them as Members of the United States Senate, where the bill is stuck, not to listen to the trial lawyers but listen to the patients and doctors all across America.

To make sure that we have economic security for generations to come, we've got to make sure we have quality education for every child. You can't compete unless your children can read and write and add and subtract. The No Child Left Behind Act we passed is challenging what I've called the soft bigotry of low expectations. That means you have your expectations so low, you just move the children through the system without measuring whether or not they can read and write. In other words, if you don't think certain children can read and write, the easy path is just move them through. I have a—I had a different view when I came to Washington. I said, "I believe every child can read and write, and I expect every child to read and write, and in return for Federal money, we want schools to show us whether or not children are learning to read and write." That's how you achieve results: You measure.

And so we've asked schools, we said, "Look, we're giving you a lot of money out of the Federal level, so in return for that money, just show us. That's all you got to do. Show us whether the curriculum you're using is working. Show us whether or not children are learning to read and write."

And it's working here in Maryland. You're doing a good job, Governor; so are your education people, the teachers all across this State. And here's why I can say that: Since the No Child Left Behind Act took effect, reading and math scores have increased in all 24 of Maryland's public school systems. How do you know? Because we measure. We're not guessing. We used to guess. Now we measure, so we know.

In 2003, 39 percent of Hispanic third graders in Maryland met the standards in reading—39 percent. We have an achievement gap in America. Two years later, more than 63 percent are meeting the standards. In other words, when you measure, you can determine whether or not what you're using in the classroom is working. And if not, it gives you reason to change.

The gap—in that the gap is closing all across the country is really good news for the future. We've got to make sure every child from every background, every part of America gains the basic skills necessary to become employable in the 21st century, which means I think we need to expand the high standards and accountability of No Child Left Behind to our public high schools so that the high school diploma means something. When you graduate, it means you can—means you're employable, or it means you can go to a community college, or it means you go to higher education. That's what we ought to be doing. This country ought to maintain high standards and strong accountability to make sure we have economic security in the future.

And finally, Americans need to know that if they work hard all their lives, they can retire with dignity. You might have heard, I've decided to address the Social Security issue. [*Laughter*] Let me tell you why I've addressed the issue. One, we have a problem, and secondly, I believe that the job description of a President ought to be—this person ought to confront problems, not pass them on to future Presidents and future generations. I believe that's my job.

If you're getting a check or you've got a mother or a grandmother getting a check, tell them that person has no problem when it comes to Social Security. You're going to get your check. I don't care what the politicians say or what the rhetoric—how heated the rhetoric becomes. Seems like every time I've run for office, they say, "If he gets in, he's going to take away your

check." Well, people are still getting their checks, and I got in. [*Laughter*]

But here's the problem—here is the problem: About 73 million of us are getting ready to retire. I'm kind of looking around trying to figure out who the baby boomers are. [*Laughter*] Generally, people without hair or gray hair. [*Laughter*] My retirement date, for example, my age when I'm eligible for retirement benefits happens to fall on 2008, which is a convenient year for me to be—[*laughter*]—be in a position to retire.

But a lot of us are getting ready to retire. As a matter of fact, I told you 73 million baby boomers are getting ready to retire. That contrasts with the 40 million folks who have retired today. So you got a lot more of us getting ready to enter the system. And we're going to live longer. And interestingly enough—I'm sure you're aware of this—but Congress over the past years has said, "Vote for me. I'm going to promise you better benefits." And so my generation, our generation, is going to get greater benefits than the previous generation. You've got a lot of people living longer, being promised greater benefits, with fewer people paying in the system. In 1950, there was about 16 workers to one paying into the system. Today, there's 3.3 workers to one. Soon there will be two workers to one. You've got a lot of youngsters coming up carrying a hefty burden for old guys like me.

And what that means is, is in 2017—which I guess seems like a long time to people in Washington, DC. If you've got a 2-year horizon, 2017 seems like ages. But 2017 is right around the corner. It's 12 years from now. If you've got a child 4 years old and you can get your driver's license at 16, they'll be driving before you know it. By the way, it's a little nerve-racking. [*Laughter*]

And so I think it's time to act, and if we don't, we're going to start running some serious cash deficits, because in 2017, the system goes in the red; 2027, it's about 200 billion a year in the red; 2030, it's about 300 billion a year in the red. I know this is a tough issue for some of them in Washington. And the tendency is, "Let's just don't worry about it. Mr. President, why did you bring it up? Let's just pass it on."

The reason I brought it up is I cannot travel our country looking at young workers who are paying payroll taxes into a system that I know is going broke. And so now is the time to come together, both Republicans and Democrats, forget all that party business, and come together and solve this problem permanently, forever.

And I put some ideas on the table. And I expect people from both parties to put ideas on the table, and so do the American people. They're tired of this partisan bickering. When they see a problem, they want the American people to come and solve it. They tell me, "Well, you're not making much progress on Social Security." Well, I'll tell you one thing I am making progress on: The overwhelming number of Americans understand we have a problem. And I suspect the overwhelming number of Americans say, "If there's a problem in Washington, how come you're not doing anything about it?"

And I'm going to continue talking about this issue. And I put a plan out there that says you can't retire—if you've worked all your life, a hard-working person, you shouldn't retire in poverty. And it's a plan, by the way, that says benefits will grow at the rate of wage increases for lower income Americans and the rate of inflation for the top 1 percent. And that solves about—a significant portion of the problem.

And I also believe something else. I believe younger workers ought to be able to take some of their own money, if that's what they choose, and set it aside in a personal savings account. In other words, you're paying payroll taxes in a system that's going broke. By the way, they call it pay-as-you-go. A lot of people in Washington—in the country probably think the

payroll—the Social Security system is, "I'm paying my payroll taxes, and the Government's holding my money for me and giving it back to me when I retire." I hate to tell you, that's not the way it works, and it hasn't worked that way for a long time. We take your money, and we pay out to the retirees, and if we have money left over, like we have now, we're spending it on Government programs. And all that's left is a file cabinet full of IOUs in West Virginia, and I went and saw the file. You'll be happy to hear the paper's there—[*laughter*]—but not your money. In other words, all you're left with is an IOU.

What I think you ought to be left with, if you so choose, is some assets. And so I believe younger workers ought to be allowed to take some of their own money, if they want to, as a part of a Social Security system, and set it up in a conservative mix of bonds and stocks or only bonds or whatever you choose to use. It's kind of like a 401(k). I suspect you've got a 401(k) plan here.

I went to an automobile plant in Mississippi. I said, "Anybody here have a—manage their own money as part of their retirement?" These were line workers. These weren't the office workers. There were the people out there making the automobiles, people from all walks of life, all income levels, all education levels. And I'll bet you 90 percent of the folks raised their hands. In other words, they say, "We're used to that, Mr. President. We're managing our own money. We're opening up our statement on a regular basis, watching our money grow."

Right now, if you—your money in Social Security is growing at about 1.8 percent. That doesn't seem like a very good deal to me. We ought to—if you so choose, we ought to let you earn a reasonable rate of money—a reasonable rate of return on your own money. And that money grows over time, and it compounds. And if you're a young worker at age 20 and you start setting aside some of your own payroll taxes in a reasonable rate of return, you're going to watch that money grow. And it's your asset, and the Government can't spend it on what they want, and they can't take it away, and you can pass it on to whomever you choose.

And let me tell you something about personal accounts. It was such an attractive idea that the United States Congress said as part of their retirement plan, they're going to let Members of the United States Senate or House of Representatives take some of their own money and set it aside in a personal account. And my attitude is this: If personal—voluntary personal savings accounts are good enough for the Members of the United States Congress, they're good enough for workers all across America.

And so here's a way forward, a way to encourage economic security and smart ways to make sure this economy continues to grow so people can realize dreams. That's really what Government ought to do. It ought to create that environment in which people are able to realize dreams and own a home and own your own business, own and manage your own retirement account. I love the idea of an ownership society. The more people own something in America, the better off America is, as far as I'm concerned. The more people own—the more assets people own, the more independent Americans are. They feel confident about the future. And I'm confident about our future. I don't think there's any problem we can't solve when we put our minds to it.

Things are going fine right now. But my job is to keep looking down the road. My job is to figure out how to keep this economy growing. My job is to get Congress to do—make wise policy so the entrepreneurial spirit is strong, so people can realize dreams, so this country remains the great beacon of hope that it has been in the past.

I want to thank you for giving me a chance to come by and visit with you. May

God bless you and your families, and may God continue to bless our country.

NOTE: The President spoke at 10 a.m. In his remarks, he referred to Michael J. Wallace, president, Constellation Generation Group; and Adm. Frank L. "Skip" Bowman, USN (Ret.), president and chief executive officer, Nuclear Energy Institute.

Remarks in a Discussion on Strengthening Social Security in Silver Spring, Maryland
June 23, 2005

The President. Thanks for the warm reception. Ben, you always draw a good crowd. [*Laughter*] He claims he went to this high school.

Ben Stein. I did—class of '62.

The President. Yes, pretty soon you'll be receiving a Social Security check.

Mr. Stein. I hope so. I hope my son and my grandchildren will too.

The President. Listen, thank you all for giving us a chance to come and visit with you about Social Security. Before I begin, I do want to thank Laurie Checco, who is the business manager at Montgomery Blair High School. Thanks for letting us come by. I appreciate you opening this beautiful facility.

I want to thank Mark Mackey and Linda Hollands, who are part of the National Retirement Planning Coalition for sponsoring this event. It's important that there be an open dialog about Social Security, the problems inherent with Social Security, and the opportunities to fix Social Security. And that's why I've come today. So thank you all for sponsoring this.

You know, some in Washington wish I hadn't brought it up. [*Laughter*] They say, "Why would you bring up Social Security? I mean, after all, we might have to run for election." [*Laughter*] "Why would you bring up such a difficult topic?" And the answer is because I see a problem, and I believe my job is to address problems and not pass those problems on to future Presidents, future Congresses, or future generations. And here's why I see a problem.

Before I describe the problem, I do want to congratulate one of my predecessors, Franklin Roosevelt, for doing something really smart and really wise, and that is setting up a safety net for retirees. Social Security has worked. It's been a very important part of a lot of people's lives.

And the first thing I want to say to those who receive a Social Security check today: Nothing changes for you; you're in good shape. The system is solvent for people receiving a check. The reason I say that is because I understand how politics works. You see, the surest way to stop something from going forward or stop a dialog or stop reform if reform is needed, is to scare people. And in the past, people have used the Social Security issue to scare seniors. They say, "Old George W. gets elected, you're not going to get your check," or, "If this goes through, you're not going to get your check." You know, that's kind of shameless politics.

And so I'm spending a lot of time not only describing the problem but assuring seniors that no matter what the rhetoric is coming out of Washington, you are going to get your check. So you need to tell your grandparents, they're going to get their checks. All of us, whether you're Republican or Democrat, know how important this program is to a lot of seniors around the country. The question is not whether

the seniors will get their checks. The question is whether younger Americans will be able to have a safety net, a retirement system just like today's generation gets.

And here's why we have a problem. There's a lot of people like me getting ready to retire. [*Laughter*] In my case, I reach retirement age in 2008, which turns out to be a fairly convenient date. [*Laughter*] Get it? [*Laughter*]

About 70 million-plus of us are getting ready to retire. You're so old, you don't even qualify as a baby boomer. [*Laughter*]

Mr. Stein. Thank you, Mr. President.

The President. No, don't worry about it. [*Laughter*]

There's now about 40 million retirees. So you get a sense of the problem. In other words, a whole bunch of people are getting ready to retire, and we're living longer than the previous generation, and we've been promised greater benefits than the previous generation.

And so you've got a lot of people getting ready to retire who have been promised greater benefits. The problem we have is that there are fewer people paying into the system. In 1950, there were about 16 workers for every beneficiary. Today, there's 3.3 beneficiary—workers for every beneficiary. Soon there will be two workers for every beneficiary. You've got a lot of people living longer, getting greater benefits, with fewer people paying for us. And the system, as a result, starts going into the red when the baby boomer generation begins to retire.

As a matter of fact, it starts going into the red in 2017. I know that sounds like a long time for people in Washington. It's not very long if you're entering the workplace. In other words, you're paying into a system that starts going broke in 2017, into the red. And every year thereafter, after 2017, the problem gets worse. In 2027, it's $200 billion in the hole. In 2030, it's $300 billion in the hole.

See, Social Security is not a trust. It's a pay-as-you-go system. You pay, and we go ahead and spend. You pay payroll taxes. You work hard. You put payroll taxes into the system, and the Federal Government spends your payroll taxes on retirees. And with money left over, it goes for Government programs. And all that's left is a file cabinet of IOUs. In other words, some think that we're taking your money, and we're holding it for you, and then we're going to give it back to you when you retire. That's not the way it works. It's a pay-as-you-go system, and the pay-as-you-go system starts going into the red. And it gets worse and worse and worse.

As a matter of fact, every year we wait, it's going to cost us $600 billion to fix it—$600 billion a year to fix it. In other words, the longer we wait, the harder it is for me to be able to look at younger Americans and say, "The money you're putting in the system is going to be there for you."

Now, if you're older, you're going to get your check. If you're born prior to 1950, you're fine. If you're a younger American, you need to pay attention to this issue. I think this is a generational issue. Grandmothers and granddads have nothing to worry about. Their grandchildren have got a lot to worry about.

My strategy has been to travel the country saying, "We've got a problem." I think pretty well most Americans now understand we do have a problem. And the reason I knew that was the first step that needed to be taken is because I have confidence that once people realize there's a problem, then they'll ask their elected Representatives to do something about it. And I was pleased to see some Members, Republican Members of the House and the Senate have started laying out ideas. I've been laying out ideas.

I think it's time for the leadership in the Democrat Party to start laying out ideas. See, the American people expect those of us who've come to Washington, DC, to negotiate in good faith on behalf of the people. If there's a problem, people ought to say, "Here's what I'm for," not

what they're against. People ought to be willing to step up and lead, as opposed to playing partisan politics. That's what the people want.

I believe future generations ought to receive benefits equal to or greater than the previous generation. I like the idea that has been put on the table by a Democrat economist named Pozen. It's called progressive indexing. It says if you're the poorest of Americans or lower income Americans, you get your benefits calculated by wage increase. If you're the richest Americans, top 1 percent, you get your benefits calculated by inflation, increase of inflation. In other words, everybody's benefits go up. The wealthier people's benefits will go up slower than the poorer benefits. And in between, there's a scale. That's called progressive indexing. It basically says we can make a commitment to poor Americans that if you've worked all your life, you're not going to retire into poverty. I like that idea. I think that makes a lot of sense. This progressive indexing solves—permanently solves most of the problems in Social Security. It doesn't solve it all, but it permanently solves most of the problem.

And there are other ideas on the table. I asked people to bring them forth. You've got a good idea, step up with it. I'm more than willing to listen. What I'm not going to listen to is this partisan bickering in Washington, DC. People really expect us to do different. They expect us to think differently and act differently when you see a problem, and we have a problem.

I've got another idea that we're going to discuss today. It's an idea that some feel uncomfortable about—I understand that—but I think it's certainly worth the dialog. And that is, on the one hand, we ought to permanently solve the solvency issue for Social Security so I can—we can—all of us involved in politics can look at younger workers and say, "You're fixing to pay into a system that will not only take care of baby boomers like me, but there will be a retirement system for you."

I also think we ought to make the system a better deal for younger workers, and that means giving younger workers the option, the ability, if they so choose, to take some of their money—after all, it's your money in the payroll taxes—and set it aside in what we call a voluntary personal savings account. It's an opportunity—I like the idea of giving somebody a chance to build a nest egg that the Government can't spend. In other words, remember the—what you have left in the Social Security system today is a file cabinet with IOUs in West Virginia. I actually went and saw the file cabinet, and I'm proud to report the paper is there. [*Laughter*]

I like the idea of encouraging people to own assets that they get to manage. It makes economic sense. If you're a younger worker and you realize that we're taking your money and we're putting it in a system that may not be around for you, you ought to demand change. But let me tell you what else we're doing. We're taking your money and putting it into a system that's yielding about a 1.8 percent return. That's a lousy deal.

So I think you ought to be allowed to take some of your money, set it aside in a voluntary personal savings account so you can invest in bonds or stocks—bonds and stocks, whatever you so choose. You can't put it in the lottery, by the way. There will be go-bys. In other words, the Government is going to say, "We're not going to let you take it to the track. We're not going to let you take wild risks." People do this all the time, by the way, and they get a better rate of return than 1.8 percent. And if you can get a better rate of return than 1.8 percent, that compounds over time. And it's that compounding of interest that helps create wealth and security in retirement. The voluntary personal accounts will complement that which is available to you through the Social Security system. But you're going to get a better deal on your own money than in the current system.

I like the idea of people having assets that they can pass on from one generation to the next. I reject this notion that the investor class is confined to only a certain group of people. I think investors ought to be around—[*applause*].

And finally, I believe this idea ought to be debated because the system is not fair, in this sense. If you're a spouse and your other spouse—if you're a husband and your wife works or you're a wife and your husband works, and you're both contributing in the Social Security system, if one of you dies early—if you die before 62, what you get is you get a burial benefit from the Government. In other words, you've been working all your life; you're putting money in the Social Security system—both of you have been—one of you dies early, and the Government says, "Here, fine, here's a burial benefit." And then when you get to retirement age, you get to choose. You get to choose the benefits of your spouse or your own benefits, whichever might be higher, but you don't get both.

Think about that. So you've got two folks contributing into the system; one dies early. And by the time the survivor reaches retirement age, he or she gets to say, "I either get my spouse's benefits or my benefits, but not both." In other words, one of—the deceased spouse has contributed to a system, and the money has just gone away. That's not fair. It's not fair to say to working people, "Work all your life, and the money you've contributed is not around if you happen to die early." It's not fair to the spouse. It's not fair to the family.

If we allow younger workers—if they so choose—to take some of their own money—now, remember, I keep saying, "if they so choose"—to take some of their own money and set it up in an asset that grows over time, if that were to happen, if somebody were to die early, at least there's an asset to pass on to help the spouse.

See, the system is not fair today. It's not fair for younger workers to know it's going broke, and you have to contribute into it. It's not fair for people living today, who worked in their system all their—paid into the system, and there's not an asset upon death, early death. It's not right. And I think now is the time to get something done.

By the way, the idea of voluntary personal savings accounts is not new. You're going to hear from some young investors. Investing is not new. It's new for older people. You know, when we grew up, there wasn't 401(k)s or IRAs. These are relatively new concepts. I bet there was no 401(k)s when you grew up. You look like a baby boomer. [*Laughter*] Yes, okay, you.

But the idea of, you know, saying if you work for the Government, you can take some of your own money and put it aside in a voluntary personal savings account isn't new in Washington. I don't know if you know this or not, but the Federal Thrift Savings Plan—see, that's the plan that the Congress set up for themselves and people who work in the Federal Government—it says if you want to, you can set aside some of your own money in a mix of bonds and stocks.

And so my attitude is—to folks around the country is, if it's a good idea for Congressmen and Senators, in other words, if they think it's a good enough idea for themselves, it ought to be a good enough idea for workers all across the country.

Anyway, I see a problem. I'm willing to talk about solutions. I'm looking forward to working with both Republicans and Democrats to get the job done. And I want to thank our panelists for joining us to help make some very important points. See, this is an education process we're going through. People have got to be educated. There's a lot of messages getting out there on the TV screens—you know, people saying this and people saying that. Once people understand there's a problem, once the grandmothers and granddads understand they're going to get their check, they can relax. Then they're going to start asking people who have been elected to office,

"What are you going to do about my grandkids?"

You don't have a grandkid yet, do you?

Mr. Stein. Thank God, our son is only 17. [*Laughter*]

The President. Well, that's good. You went to high school here?

Mr. Stein. I went to Montgomery Blair High School, class of '62. The best class ever.

The President. Really? That's good. [*Laughter*]

Mr. Stein. I'm concerned about it. I'm extremely concerned about it.

The President. You've been talking about it for a while.

Mr. Stein. I talk about it—I represent two groups. I represent the National Retirement Planning Coalition, which helps people plan for retirement. And I'm also representing for the gangstas all across the world—[*laughter*]—hidden corners in them low-lows girl. [*Laughter*] That's rap music, Mr. President. [*Laughter*]

The President. Yes. [*Laughter*]

[*At this point, Mr. Stein, economist, lawyer, actor, and writer, made further remarks.*]

The President. I'll tell you an interesting story. I was at an automobile plant in Mississippi, and I——

Audience member. [*Applause*]

The President. There you go. [*Laughter*]

Mr. Stein. He's from Mississippi.

The President. Yes, okay, two of you. [*Laughter*] And I was with the line workers. And I said, "How many of you all have 401(k)s," in other words, "How many of you are managing your own money?" And I bet 90—I didn't count, but a lot, 90 percent of the hands went up. These are people from all walks of life, all income groups. It's amazing how quick you become financially literate when you're watching your own money, in other words.

But let's talk about financial literacy, and let's talk about this notion of risk. Let's talk about whether or not a person who is nervous about stocks and bonds has the capacity to absorb all these fancy words you're talking about.

Mr. Stein. But they're not—they turn out not to be fancy words.

The President. They sound fancy.

Mr. Stein. Well, it isn't fancy. [*Laughter*] A stock is a share in ownership of a corporation. A broad index of stocks is a share in hundreds, thousands of corporations. And the values of those investments will fluctuate from year to year. But over long periods of time, they will do incredibly well. I mean, here's a statistic—I know you don't like statistics.

The President. No, I like them, yes, particularly when they help make the point. [*Laughter*]

Mr. Stein. But over any 20-year period in the last 100 years, a person who bought the broad index of the Standard & Poor's 500, the largest 500 corporations in America, would not have lost money, and his average return would have been 10 times his money. That is so much more than Social Security, it's insane. Over a 25-year period, the average return is more than 20 times his money. And there's been no 20-year period in the last 100 years when a stock market investor would have lost money. So there will be fluctuations from year to year, but over long periods of time, investors in stocks through mutual funds, exchange-traded funds, variable annuities will come out way, way, way ahead of the game, wildly ahead of the game.

The President. A lot of people—I hear, you know, I hear these people saying, "Well, all they want to do is let Wall Street get rich."

Mr. Stein. They're already rich. [*Laughter*]

The President. All right, richer. In other words, I think one of the things people have got to understand—and perhaps you can help on this one—is that there will be negotiated fees on behalf of the people. In other words, you're not going to get gouged. I think that's a convenient red herring.

Mr. Stein. Yes, the usual fees on these things, especially if you're a careful shopper and especially under your plan, are going to be extremely minimal. I mean, fees for many of these things are close to zero. And Wall Street is not going to get rich off this. They're already rich. They don't need the money. The person who needs the money is the person Ben or Brian's age who is going to get in at the age of 20 or 21 or 22 or 25 and is going to let compound interest do all the heavy lifting for him. If you get in, in your 20s, by the time you're in your 40s, you're set.

The President. Compound interest—some people many not know what that is.

Mr. Stein. Well, compound interest means you earn interest, and then you earn interest on the interest. And if you let that work for you in the stock market for 20, 30, 40 years, even if you're just putting a small amount away each month, you're going to have a much more comfortable retirement than you ever dreamed of having. If you start when you're in your 40s or 50s, the problem doesn't get solved. If you start when you're 20, it does get solved. And that's sort of exactly what we're talking about with your Social Security plan. If we start now, it's going to be easy to solve the problem. If we wait until the system is already broke, it's going to be incredibly difficult and expensive to solve the problem. Why not do it now, when it's easy?

The President. See, the idea is to say to younger workers, "Instead of putting money into a bankrupt system or a system that will be bankrupt, we're going to, one, permanently solve the problem and, two, give you a better deal by letting you watch your own money grow, investing in a safe mix of bonds and stocks that will compound over time."

Wendy Merrill is with us. Should we turn to Wendy?

Mr. Stein. Yes, absolutely.

The President. Wendy, where are you from?

Wendy Merrill. Good morning. Thanks for having me.

The President. Where are you from?

Ms. Merrill. I'm from Reisterstown, Maryland——

The President. Reisterstown, very good.

Ms. Merrill. ——which is near Baltimore.

The President. Great, thanks for coming over.

Ms. Merrill. Thank you, my pleasure. I'm 32 years old, and I——

The President. You don't look a day over 21.

Ms. Merrill. Oh, aren't you sweet. Thank you.

The President. Oh, you know how we politicians are. [*Laughter*]

Ms. Merrill. I have two family members with me today. I wanted to say hi to my husband Stephen and my father Neil are in the audience with us today.

The President. Thanks for coming, yes. Say hello to them after the event?

Ms. Merrill. Yes.

The President. Good, thank you.

Ms. Merrill. And I have been in the financial services business for 10 years. I'm an insurance broker. I work with my family's insurance agency. And I'm a big fan of these personal accounts.

The President. Right.

Ms. Merrill. I think it's a great solution to the problem. I am a member of—I'm a little older than these guys over here, but I'm definitely a member of the generation that was taught that I couldn't count on Social Security for my retirement. For that reason, ever since I joined the workforce, I've been saving in 401(k)s and IRAs and really taking charge of my own future, which is what I advise my clients to do as well, when we discuss retirement planning. I just tell them, you know, "Don't count on Social Security," unless it gets fixed, of course.

The President. That's kind of sad, isn't it? Excuse me for interrupting. You've got younger Americans saying, "Don't count on Social Security." I guess the word is getting

out, slowly but surely, we've got a problem with Social Security, to the point where you've got some people saying, "Don't count on it." As a matter of fact, I saw a survey where it said younger workers feel like they're more likely to see a UFO than get a Social Security check. [*Laughter*] Excuse me for interrupting.

Ms. Merrill. No problem. I agree. I mean, I——

The President. It is amazing that we sit here in Washington not getting anything done knowing that you've got younger Americans not thinking they're going to see a check on Social Security. That's the wrong kind of politics.

Sorry, go ahead.

[*Ms. Merrill, director of business development, Insurance Designers, Inc., Owings Mills, MD, made further remarks.*]

The President. Well, that's exactly the concept that I'm asking Congress to think about. One of things that people have got to understand is like in the Federal Thrift Savings Plan, there is—the options are relatively limited. In other words, you can't go out and create your own notion about what you want to invest in. The Government says, "Here, if you want to take some of your own money, here's a variety of options" and, you know, mainly bonds, mainly stocks, a mix of bonds and stocks. And the truth of the matter is, when you're younger, you may want to take a little risk. I presume you say to younger people, "Take a little risk." When you're older, kind of——

Ms. Merrill. Absolutely. I mean——

The President. ——crank down on the risk.

Ms. Merrill. ——it's always on an individual basis, obviously. But younger people can definitely afford to take more risk, and compound interest works for you. And you're better off putting a dollar in yesterday as opposed to two dollars tomorrow, because of that.

The President. Yes. Good. Well, thanks for coming.

Ms. Merrill. My pleasure.

The President. Appreciate you being here.

Brian Smart.

Brian Smart. Yes, sir. How are you?

The President. Feeling pretty good, yes. [*Laughter*] How about you?

Mr. Smart. Good, good.

The President. Good, thanks for coming. I understand you just got a job?

Mr. Smart. Yes, which my parents—mom and dad and sister——

The President. They must be thrilled, yes. [*Laughter*]

Mr. Smart. They were very happy about—very happy.

The President. Well, congratulations. And you paying payroll taxes yet?

Mr. Smart. Yes.

The President. Yes, you are.

Mr. Smart. Yes, a lot of them.

The President. More than you realized, right?

Mr. Smart. It's a scary thing. I mean, I graduated from Radford University. I graduated this December, so relatively new, and got a job. And I'm out there making money, and this is kind of something that's come up to my attention that it's not going to be there. And it's something that really bothers me.

The President. Like that bite out of the check, first time that happened, got your attention?

Mr. Smart. Well, I mean, it's got my attention previously. But it's something that I'm realizing now that—and I'm not doing anything. I'm paying into something that I can't even use, and there's nothing I'm going to be able to do with it when I retire.

The President. Yes, see, it's kind of a sad thought, isn't it? The Government now—has got a system now that has evolved away from something that worked really well. Franklin Roosevelt created something that worked well—working well when there's 15 workers for every beneficiary. And slowly but surely over time,

as a result of demographic change, promises we made, we cannot keep. You got a 23-year-old guy, got his first job, saying he's nervous about the system.

Government ought to—Government at the very minimum ought to earn the trust of the people. He trusts—[*applause*]. Keep going.

Mr. Smart. Well, I mean——

The President. So have you been paying attention to this issue when you were at college?

Mr. Smart. A little bit.

The President. Tell me the truth.

Mr. Smart. No—to be honest, no, I haven't. [*Laughter*] But I mean, it's something that to me I've seen firsthand with my grandmother. She's retired, living the life I'd love to live. You know, she—her and my grandfather invested wisely when they were young, in stocks. And right now she's basically living off her dividends. She doesn't count on Social Security——

The President. Yes.

Mr. Smart. ——which is something that scares me because she's already at retirement.

The President. Right.

Mr. Smart. Something I have 40, 50 years before it even—I even start drawing Social Security.

The President. Well, your grandma made some—and grandfather—made some wise choices. There's some people in this country, that's all they depend upon is their Social Security check. And it's really important that those folks know that they're going to continue to get their check. There are a lot of people that the only check they live on is the Social Security check, which as you can imagine, when they start hearing people talking about reforming the system, they're really thinking, "Well, maybe my check is going to go away," and people have got to know it's not. It's just not going to go away. Government will never do that to people. But I'm not so sure you're going to have a check.

Mr. Smart. And that's something, as a 23-year-old person who's paying into Social Security now, really scares me.

The President. I hope so.

Mr. Smart. Because I don't—I mean, I don't know enough. I don't really know enough right now to try to make a decision. And I'm hoping you can guide me in the right direction——

The President. That's it.

Mr. Smart. ——and tell me this is what you need to do.

The President. Well, all right, I'll tell you. I'll give you a hint. In 2041, the system goes bankrupt. That's not very long.

Mr. Smart. I know.

The President. It's long for me and old Ben. That seems like ages, doesn't it?

Mr. Stein. That's a long time.

The President. Yes, but not for him.

Mr. Stein. No, not at all.

The President. Do you remember when you were 23?

Mr. Stein. Extremely vividly. I remember when I was here at Blair High School at 17 and 16. But you know, his grandparents hitched their wagon to a star, which was the star of investing in stocks and bonds, and it worked incredibly well. The idea of allowing all Americans, not just well-to-do or even upper middle class ones, to hitch their wagons to that star makes total sense. Why should we say to the ordinary citizen, "Look, because you're not rich, you can't get in on the same kind of investment opportunities that rich people can get in on." Let's let everybody get in on it. Let's let everybody get a chance to make some real money.

The Standard & Poor's Index compounded at a rate—I know you don't like statistics—but 14 percent a year from 1926 to 2004. If you could have your Social Security or even a quarter of it or a fifth of it compound at that rate instead of at 1.8 percent a year, the difference would be astronomical—astronomical.

The President. Yes, I do like statistics. [*Laughter*]

Mr. Stein. Okay, sorry. [*Laughter*]

The President. Just not too many of them.

Mr. Stein. Okay. [*Laughter*]

The President. What I like more—even more than statistics is the notion of an ownership society. We want more people owning something.

You know, Brian said something interesting—he basically turned—he said, "I hope you old guys fix it." And we have an obligation to fix it. I think there's a lot of younger folks sitting around saying, "Well, I'm—one, I either don't care; I'm not paying attention to it," when they start paying attention to it, realize there's a problem, and they're going to say, "Well, you know, surely the people we sent to Washington will do something to permanently fix it. Surely, there's enough goodwill in the Nation's Capital that people will set aside their political parties and come together and permanently solve this problem. Surely, they're not going to let us pay money into a bankrupt system."

I hate to tell you, unfortunately, some are playing politics in Washington. But we're going to keep working it and keep working it and keep calling upon the people.

Go ahead.

[*Mr. Smart made further remarks.*]

The President. Like when you were sitting in the library, reading all those books, did you ever think about sitting on the stage with the President? [*Laughter*]

Mr. Smart. No, not at all.

The President. How about the library part? Was that fiction? [*Laughter*]

Mr. Smart. Fiction. [*Laughter*]

The President. I know what you mean. [*Laughter*]

Ben Ferguson.

Ben Ferguson. Howdy. I'm not one of those two Mississippi guys.

The President. You are from Mississippi? Where?

Mr. Ferguson. Well, Memphis, but I go to school at Ole Miss.

The President. Oh, Ole Miss. Very good, yes. [*Applause*]

Mr. Ferguson. There we go. I'm glad there's one.

The President. So why are you here? Come all the way from Ole Miss.

Mr. Ferguson. I got together with some students who started an organization called Students for Saving Social Security——

The President. Really?

Mr. Ferguson. ——because we realized that basically our second chance at Social Security, the only chance we ever have to have this, is if it gets fixed and we get our personal accounts. That's the only way we're going to get it. We know it's not there. We know we're paying someone money that we're not going to see, and so we need our second chance. And that's the only way we're going to get it. I mean, besides if we win Ben Stein's money, but he told me there's not enough. [*Laughter*]

The President. Pretty good line.

Mr. Ferguson. Yes.

The President. So how did you get involved in the Social Security issue? It's a—it's pretty interesting that you would pick up on the issue and decide to do something about it.

[*Mr. Ferguson, communications director, Students for Saving Social Security, made further remarks.*]

The President. You're on a roll. Keep going. [*Laughter*] See, I've got a little—one of the dynamics of this issue is the people that are—the people that benefit from Social Security today have nothing to worry about. You notice I keep saying that. In my line of work, you've got to say the same thing over and over and over again, finally get it to sink in.

But one of the dynamics on the issue is that there's a lot of folks out there who need to pay attention to it who might not be paying attention to the issue. And therefore, Members of the Senate and the

House aren't hearing from younger Americans.

And so part of the goal is to remind people that if you're getting your check, you're going to get your check, but if you've got a child coming up, you better start asking the politicians what they're going to do about your child or your grandchild.

[*The discussion continued.*]

The President. Yes, that's why I want to repeat what I said earlier. I believe in ownership. I want people from all walks of life, every background saying, "This is mine. I own this. I'm going to work my life. I'm going to own this asset. I'm going to pass it on to whomever I want to pass it on to." The more ownership there is in America, the better our future is. The more people can say, "This is my stake. This is my home, my business, my retirement fund, my health care account"—the more people say, "I own this," the more solid the future of America will be.

Have you got something else, because I've just—that was my peroration.

Mr. Stein. No, I was just going to say, it is a basic fact of both political and economic life that societies that have a—in which the ordinary citizen feels he has a stake in the society and isn't just a ward of the state, isn't just a straw in the wind blowing about by the state, are societies that last a long time. And we want this society to last forever, and it will if we have an ownership society.

The President. Absolutely. Go ahead, yes.

Mr. Ferguson. And too, one thing is I want to let you know, and there's been a lot of people that have said in the media that young people just don't care. We started our organization 2 months ago. We have over 100 college campuses, chapters that have said, "We want to be involved in this debate."

The President. That's good, thank you.

Mr. Ferguson. Young people care, and I want to say thank you to you for actually listening to us instead of talking about us.

The President. Well, I appreciate you. If you're interested, I'm sure you've got a web page where people interested in the issue can——

Mr. Ferguson. Yes, you want me to plug it?

The President. Well, yes, you've got the grammar—[*laughter*]——

Mr. Ferguson. It's secureourfuture.org. There you go.

The President. It's like Marketing I, right?

Mr. Ferguson. That's right. I'll give you some money later.

The President. Try it again—secureourfuture——

Mr. Ferguson. Dot org. Right, there you go.

The President. So people can get on the web page, figure out how to help.

Mr. Ferguson. Start a campus chapter.

The President. Get involved in the issue.

Mr. Ferguson. Get involved and be heard.

The President. My final point is, where does a guy get a pair of shoes like that?

Mr. Stein. You can get them at a place called FrontRunners, in Brentwood, California.

The President. Never mind.

Listen, thank you all for coming. God bless.

NOTE: The President spoke at 10:03 a.m. at Montgomery Blair High School. In his remarks, he referred to Mark J. Mackey, president and chief executive officer, and Linda Hollands, vice president, operations, National Association for Variable Annuities, a member organization of the National Retirement Planning Coalition; and Robert C. Pozen, former member, President's Commission to Strengthen Social Security.

Remarks on the Dominican Republic-Central America-United States Free Trade Agreement
June 23, 2005

Thank you all for coming. Please be seated. I want to thank the Democratic and Republican leaders who have come here today to support the Central American-Dominican Republic Free Trade Agreement known as CAFTA. As you can see, there are former Cabinet members of both Republican and Democrat Presidents, former staff members of Republican and Democrat Presidents, people who have said it is time to set aside political differences and focus on this very important trade agreement for the good of our country. And I want to thank you all for coming. I appreciate our visit. I appreciate the chance to hear your point of view about what we need to do together to get this bill passed.

I want to thank the members of my Cabinet who are here. I appreciate you all coming. I particularly want to say thanks to Ambassador Rob Portman, who is the U.S. Trade Representative. He is the point person in the Bush administration to get this bill passed. He's working hard. He's working smart, and with your help and the help of those on the stage, I'm confident that Congress will do the right thing.

The reason we're here is because we share an interest in promoting opportunity and prosperity here at home. All of us understand that strengthening our economic ties with our democratic neighbors is a vital issue of national importance. All of us urge Congress to pass the agreement because America has an interest in strengthening democracy and advancing prosperity in our hemisphere.

One of the surest ways to strengthen democracy and advance prosperity is by establish a trading system based on clear rules. My predecessors from both parties, former Presidents from both political parties, pursued this goal at all levels—at the global level, at the bilateral level, and at the regional level. Today, CAFTA presents us with an historic opportunity to advance a free and fair trading system that will bring benefits to all sides.

I want to thank the members of the diplomatic corps from Central America who have joined us today. *Los Embajadores, bienvenidos.* Thank you for coming.

These Ambassadors understand what I just said. I said, this trade agreement benefits both sides. It's a good deal for the CAFTA countries, and it's a good deal for America as well.

It's a good deal for America because CAFTA will help level the playing field for our goods and services. Under existing rules, nearly 80 percent of imports from Central America and the Dominican Republic already enter the United States duty free. But U.S. exports into the region face heavy tariffs. Let me repeat that: 80 percent of goods produced in Central America come into our country, come into the United States duty-free. Yet the same isn't—it's not the same for American products.

By passing CAFTA, the United States would open up a market of 44 million consumers for our farmers and small-business people and entrepreneurs. By lowering barriers in key segments like textiles, CAFTA will put our region in a better position to compete with low-cost producers in Asia.

For the young democracies of Central America and the Dominican Republic, CAFTA would continue the current trade benefits. That means good jobs and higher labor standards for their workers. And because of reduced tariffs on U.S. goods, consumers in these countries would have access to better goods at lower prices. And that brings us a step closer to our goal of an Americas where the opportunities in

San Jose, Costa Rica, are as real as they are in San Jose, California.

People have got to understand that by promoting policy that will help generate wealth in Central America, we're promoting policy that will mean someone is less—more likely to stay at home to find a job. If you're concerned about immigration to this country, then you must understand that CAFTA and the benefits of CAFTA will help create new opportunity in Central American countries, which will mean someone will be able to find good work at home, somebody will be able to provide for their family at home, as opposed to having to make the long trip to the United States. CAFTA is good immigration policy as well as good trade policy.

And it's good geopolitics as well. For the Western Hemisphere, CAFTA would bring the stability and security that can only come from freedom. That's what we're interested in. We're interested in spreading freedom. Today, a part of the world that was once characterized by oppression and military dictatorship sees its future in democratic elections and free and fair trade, and we cannot take these gains for granted. These small nations are making big and brave commitments, and America must continue to support them. And CAFTA is a good way to support them. CAFTA is good for our workers. It's good for our farmers. It's good for our small-business people, but it's equally as good for the folks in Central America.

By transforming our hemisphere into a powerful trading area, CAFTA will help promote democracy, security, and prosperity. The United States was built on freedom, and the more of it we have in our own backyard, the freer and safer and more prosperous America will be. The leaders from both parties here today share this vision.

These folks, who toiled in the vineyards of good international politics and worked in the White House know exactly what I'm talking about. That's why they're standing up here and saying with common voice to the United States Congress, "Let's get this bill passed." See, CAFTA is more than a trade agreement; it is a signal of our Nation's commitment to democracy and prosperity for the entire Western Hemisphere. And I urge, and we urge, the United States Congress to pass CAFTA.

Thanks for coming.

NOTE: The President spoke at 1:43 p.m. in Room 450 of the Dwight D. Eisenhower Executive Office Building. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Message to the Congress Transmitting Legislation and Supporting Documents To Implement the Dominican Republic-Central America-United States Free Trade Agreement
June 23, 2005

To the Congress of the United States:

I am pleased to transmit legislation and supporting documents to implement the Dominican Republic-Central America-United States Free Trade Agreement (the "Agreement"). The Agreement represents an historic development in our relations with Central America and the Dominican Republic and reflects the commitment of the United States to supporting democracy, regional integration, and economic growth and opportunity in a region that has transitioned to peaceful, democratic societies.

In negotiating this Agreement, my Administration was guided by the objectives

set out in the Trade Act of 2002. Central America and the Dominican Republic constitute our second largest export market in Latin America and our tenth largest export market in the world. The Agreement will create significant new opportunities for American workers, farmers, ranchers, and businesses by opening new markets and eliminating barriers. United States agricultural exports will obtain better access to the millions of consumers in Central America and the Dominican Republic.

Under the Agreement, tariffs on approximately 80 percent of U.S. exports will be eliminated immediately. The Agreement will help to level the playing field because about 80 percent of Central America's imports already enjoy duty-free access to our market. By providing for the effective enforcement of labor and environmental laws, combined with strong remedies for noncompliance, the Agreement will contribute to improved worker rights and high levels of environmental protection in Central America and the Dominican Republic.

By supporting this Agreement, the United States can stand with those in the region who stand for democracy and freedom, who are fighting corruption and crime, and who support the rule of law. A stable, democratic, and growing Central America and Dominican Republic strengthens the United States economically and provides greater security for our citizens.

The Agreement is in our national interest, and I urge the Congress to approve it expeditiously.

GEORGE W. BUSH

The White House,
June 23, 2005.

Message to the Congress on Continuation of the National Emergency With Respect to the Western Balkans
June 23, 2005

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication, stating that the Western Balkans emergency is to continue in effect beyond June 26, 2005. The most recent notice continuing this emergency was published in the *Federal Register* on June 25, 2004, 69 *FR* 36005.

The crisis constituted by the actions of persons engaged in, or assisting, sponsoring, or supporting (i) extremist violence in the Republic of Macedonia, and elsewhere in the Western Balkans region, or (ii) acts obstructing implementation of the Dayton Accords in Bosnia or United Nations Security Council Resolution 1244 of June 10, 1999, in Kosovo, that led to the declaration of a national emergency on June 26, 2001, has not been resolved. Subsequent to the declaration of the national emergency, I amended Executive Order 13219 in Executive Order 13304 of May 28, 2003, to address acts obstructing implementation of the Ohrid Framework Agreement of 2001 in the Republic of Macedonia, which have also become a concern. The acts of extremist violence and obstructionist activity outlined in Executive Order 13219, as amended, are hostile to U.S. interests and pose a continuing unusual and extraordinary

threat to the national security and foreign policy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency declared with respect to the Western Balkans and maintain in force the comprehensive sanctions to respond to this threat.

GEORGE W. BUSH

The White House,
June 23, 2005.

NOTE: The notice is listed in Appendix D at the end of this volume.

The President's News Conference With Prime Minister Ibrahim al-Jafari of Iraq
June 24, 2005

President Bush. Thank you very much. Mr. Prime Minister, I am honored to welcome you to the White House. As the leader of Iraq's first democratically elected Government in more than 50 years, you are helping to lift your country from decades of fear and oppression.

The Prime Minister is a great Iraqi patriot. He's a friend of liberty. He's a strong partner for peace and freedom. For more than two decades, he served the cause of Iraqi freedom in exile as a fierce opponent of Saddam Hussein's tyranny. Today, this medical doctor now serves his people as he works to build a new Iraq.

I told the Prime Minister that the American people share his democratic vision for Iraq. I told him of our Nation's deep and abiding respect for Islam, for the people of Iraq, and for the potential of the nation that now belongs to them.

Today we meet at a critical moment in the history of this proud nation. In just a few days, we will mark the first anniversary of the return of Iraq to its people. In the year since then, the Iraqis can take credit from [for]* some extraordinary achievements in the face of tremendous challenge.

Seven months after resuming sovereignty over their nation, the Iraqi people defied the car bombers and assassins to hold their first free elections in a half century. In April, the newly elected Transitional National Assembly formed a Government and appointed Dr. Jafari as the Prime Minister. This month, after a spirited debate, the Iraqis reached an agreement to expand their constitutional drafting committee to include more Sunni Arabs, so that this important community also has a strong voice in shaping the future of their country.

The Prime Minister and I discussed the important work the Iraqis have before them in the months ahead. This work includes drafting a permanent constitution for a free Iraq, submitting it to the Iraqi people for approval, and then holding new elections to choose a constitutional Government. These are monumental tasks, yet at every step of the way so far, the Iraqi people have met their strategic objectives, and the terrorists have failed to stop them. I commend the Prime Minister and his fellow Iraqis for their hard work and courage. And I'm confident that the Iraqi people will continue to defy the skeptics as they assume greater responsibility for their security and build a new Iraq that represents their diversity.

The way ahead is not going to be easy. The killings and roadside bombings that we

* White House correction.

see underscore that freedom in Iraq is opposed by a violent and ruthless enemy with no regard for human life. The enemy includes former members of Saddam Hussein's regime. The enemy includes criminal elements, and the enemy includes foreign terrorists. The terrorists are fighting in Iraq because they know a free Iraq in the heart of the Middle East will deal a severe blow to an ideology that lives on oppression and fear. By securing Iraqi democracy, we will make America and our friends and allies around the world safer.

The enemy's goal is to drive us out of Iraq before the Iraqis have established a secure, democratic Government. They will not succeed. Our goal is clear, a democratic and peaceful Iraq that represents all Iraqis. Our troops will continue to train Iraqi security forces so these forces can defend their country and to protect their people from terror. And as Iraqis become more capable in defending their nation, our troops will eventually return home with the honor they have earned.

As the Iraqi people stand up for their freedom, they know that the free world is now standing with them. Earlier this week, more than 80 countries and international organizations came together in Brussels to discuss how to help Iraq provide for its security and rebuild its country. And next month, donor countries will meet in Jordan to discuss Iraqi reconstruction.

I appreciate Prime Minister Jafari's brave leadership. Prime Minister Jafari is a bold man. I've enjoyed my discussions with you, Prime Minister. He is a frank, open fellow who is willing to tell me what's on his mind. And what is on his mind is peace and security for the people of Iraq, and what is on his mind is a democratic future that is hopeful.

I want to thank you for your courage. I want to thank you for your understanding about the nature of free societies. I want to thank you for helping Iraq become a beacon of freedom.

Prime Minister Jafari's visit comes at an important time. I want to thank you for coming.

Prime Minister Jafari. Thank you very much.

President Bush. Welcome.

Prime Minister Jafari. Thank you very much. I want to thank the United States people for their courage and commitment against terrorism and for democracy in our country.

I visited hospital in the past month in Turkey, Muthanna, and yesterday in Washington, DC. There were Iraqis and American. They had suffered side by side, and they were on a common enemy: terrorism. They were fighting for the security of Iraq but also of American. This is not the time to fall back—to fall back. We owe it to those who have made sacrifices to continue toward the goals they fought.

I see from up close what's happening in Iraq, and I know we are making steady and substantial progress. People said Saddam would not fall, and he did. They say the election would not happen, and they did. They say the constitution will not be written, but it will. And the political process—[*inaudible*]—including the Sunni Arabs, will further undermine the terrorists. They have joined the parliamentary committee and the Government, and they will take part in the next elections.

[*At this point, Prime Minister Jafari spoke in Arabic, and his remarks were translated by an interpreter.*]

Another time I would like to thank and commend Mr. President for his hospitality and his receiving me here and for the subjects we discussed together. And also he was frank and transparent, and he gave me very good feelings towards the people in Iraq. I would also like to thank the American people for standing beside the Iraqi people, going through these difficult times. No doubt our people will never forget those who stand beside Iraq, particularly at these terrible times. We do appreciate

the assistance given by America during the present period of time in particular. There is a great achievement in Iraq, there is democracy in Iraq, and the people in Iraq defied terrorism, and they refused to accept any constitutional association.

There is about 30 percent of women participating, and this is an example of democracy in Iraq and in the region, even in the whole world. There are six minister ladies in my Government, and it is my intention to add one more woman to be Deputy to the Prime Minister.

In the new Iraq, there is progress on more than one aspect, even though, again, it's all the challenges we have, particularly in security. Even though there is a lot of infiltration from the countries adjacent to Iraq, moving from inside Iraq itself, but there is a will in Iraq to secure security. And so the bombing in Iraq has been reduced a lot. And we are making great progress. And we depend on our security forces, multinational forces also who work with us, support us, but the responsibility in the frontline is for the Iraqis, and everything is making progress quantitatively and qualitatively.

We want to secure love instead of hatred in our country, coexistence and cooperation in Iraq instead of cursing each other. The whole people of Iraq would like to continue the democracy in Iraq, and they will fight for achieving it. So many people said that democracy will never stand in Iraq, said that elections will never be held in Iraq, and they said also that the Government will never be established in Iraq, and they said there would be no constitution. But everything will be there, and the whole world will see that changes in Iraq happen because of the great will of the people of Iraq and the countries that are assisting us.

We want fraternal relations with all the countries of the world and the adjacent countries, keeping our sovereignty against all infiltration from the borders of Iraq. We want goodness for all countries of the world and wish you all the best for the American people.

Thank you, very much. Thank you, very much.

President Bush. Thank you, Mr. Prime Minister. What we'll do now is we'll ask a question—answer a question from the American side and then one from the Iraqi side. Thank you, we'll be there in a minute. And then—we'll have two a side, in other words.

I will start with Kelly O'Donnell [NBC News].

Status of Efforts in Iraq

Q. Thank you, Mr. President. On Iraq, sir, the Vice President has described the conditions there, regarding the insurgency as being in its last throes. General Abizaid said there has been no significant change over the last 6 months. Your spokesman said you agreed with the Vice President's assessment. Can you help the American people understand these two different views that are coming forward, one from the administration, one from top commanders, when your spokesman tells us every day you get your information directly from those top commanders?

President Bush. I do get briefed by our top commanders, as does the Vice President. As a matter of fact, about 2 hours ago, General Abizaid briefed the Vice President and myself and the Secretary of Defense about what is taking place on the ground. And there's no question there's an enemy that still wants to shake our will and get us to leave. And they're willing to use any means necessary. They try to kill—and they do kill innocent Iraqi people, women and children, because they know that they're—the carnage that they wreak will be on TV. And they know that they are—they know that it bothers people to see death—and it does. It bothers me. It bothers American citizens. It bothers Iraqis. They're trying to shake our will. That's what they're trying to do, and so of course we understand the nature of that enemy.

We also understand that there is reason to be optimistic about what's taking place. The very same commanders that say that these folks are terrible killers are also reminding us that we're making good progress. On the one hand, you just heard the Prime Minister talk about a new democracy. Remember, the killers tried to intimidate everybody so that they wouldn't vote. That was their tactic. If you look back at the history of our involvement in Iraq, there was a lot of bombings and killings prior to the elections. What they were trying to do is say, "Let's shake the will of not only the Americans but the Iraqi citizens." And—but nevertheless, the Iraqi citizens wouldn't have their will shaken.

So we're optimistic. We're optimistic that more and more Iraqi troops are becoming better trained to fight the terrorists. We're optimistic about the constitutional process. There is a political track that's moving forward in parallel with the security track. No question about—it's difficult. I mean, we hear it every day, of course. So do you. You report it every day. It's tough work, and it's hard. The hardest part of my job is to comfort the family members who have lost a loved one, which I intend to do when I go down to North Carolina on Tuesday.

But nevertheless, progress is being made, and the defeat of the enemy—and they will be defeated—will be accelerated by the progress on the ground in Iraq that—the establishment of a democratic state that listens to the hopes and aspirations of all the people in Iraq will lead to the defeat of this enemy. And so that's what this administration believes, and we firmly believe it is going to happen.

Would you like to call on somebody from the Iraq press?

Prime Minister Jafari. Yes, yes.

President Bush. Who would you like to call on? Better pick one.

Timetables for Iraq/Visit of Secretary of State Rice

Q. [*Inaudible*]—my first question is, Mr. Bush, we heard here that there are Members of the Congress and the Senate, they are asking for a schedule for withdrawing your troops from Iraq. Have you discussed this with the Government of Iraq or will it be left to the Government to decide?

Mr. Jafari, it was said in the streets of Iraq that the administration of America is pressurizing your Government through the visit of Ms. Rice in Iraq. Is there a reaction to that with President Bush?

President Bush. Thank you. You've picked up a good American trick, which is to ask two questions. [*Laughter*] Congratulations.

There're not going to be any timetables. I mean, I've told this to the Prime Minister. We are there to complete a mission, and it's an important mission. A democratic Iraq is in the interest of the United States of America, and it's in the interest of laying the foundation for peace. And if that's the mission, then why would you—why would you say to the enemy, you know, "Here's a timetable. Just go ahead and wait us out." It doesn't make any sense to have a timetable. You know, if you give a timetable, you're conceding too much to the enemy.

This is an enemy that will be defeated. And it's—so I'm not exactly sure who made that proposition, but I would—you don't have to worry, Mr. Prime Minister, about timetables. And we want to work with you to continue to build up the Iraqi forces. See, success will happen in Iraq when the political process moves forward, like it is. Again, I remind you all, maybe 4 months ago—anyway, the beginning of the winter, there was a lot of people here in the country that never thought the elections would go forward. They thought the enemy had the upper hand because of the death and destruction that we saw on our TV screens. They said, "Well, can't possibly be elections. The Iraqi people don't want to be

free," and you know, "These killers are going to stop the elections." And sure enough, over 8 million people voted because they do want to be free.

And so success will occur as this political process continues to move forward. And we spent time talking about making sure that Sunnis were a part of the process, and I appreciate the Prime Minister's attitude. We made sure we talked about making sure that people's points of view are represented, making sure that we stay on—the only timetable that I think is going to—that I know is out there is the timetable that says, "Let's have the constitution written by a certain date, and let's have it ratified by a certain date, and let's have the election by a certain date." That's the timetable, and we're going to stay on that timetable. And it's important for the Iraqi people to know we are.

And the second track is to have Iraqis take the fight to the enemy. And we're, slowly but surely, getting this training completed. And so we spent time today not only hearing about the conditions on the ground and the nature of the enemy from Generals Abizaid and General Casey, but we also talked about progress in the training mission. And we are making good progress when it comes to training Iraqis. One of the interesting statistics as to whether or not the Iraqis want to join the fight is whether or not they're able to recruit Iraqis to join the army, and recruitment is high. In other words, Iraqis do want to be a part of the process.

And so part of the coalition's job is to give these Iraqi units the training necessary to be able to fight the terrorists. That's our strategy, and it is working, and it is going to work, for the good of the country.

Now, he asked you a question, and it's a very intelligent——

Prime Minister Jafari. As for the second question on the visit of Ms. Rice, Condoleezza Rice to Iraq, the general impression of that visit was a general review for the situation there. It was a time for us so that—that gave support at Bruxelles, and I think they played a great role that the greater opportunity for the Iraqis as a big party. And as for the program and the ministers who attended, they all spoke in the interests of Iraq, and we thanked her very much for the efforts she made. And I spoke about the preparation for her and what she can present us of services to Iraq. And I believe she played a great role and will play a great role in Bruxelles, and I hope the recommendations will reflect on the donor countries so that we get the interest to the Iraqi people, particularly for the services. Thank you.

Status of President's Second Term/U.S. Popular Support for Efforts in Iraq

Q. Thank you, Mr. President. Declining public support for the mission in Iraq and the lack of progress on some of your domestic priorities has prompted suggestions that you're in something of a second-term slump. Do you worry——

President Bush. A quagmire, perhaps. [*Laughter*]

Q. You can choose the word, sir. Do you worry at all about losing some of your ability to drive the agenda, both internationally and domestically?

And Mr. Prime Minister, if I may, does the decline in American support for the mission in Iraq have any impact on your Government and the people of your country?

President Bush. No, I appreciate the polls, the question about the polls. Look, this is a time of testing, and it's a critical time. We're asking Congress to do—to take on some big tasks domestically. I fully understood when I went into the Social Security debate that there would be a lot of people that wished we hadn't have brought it up. I knew that. After all, there are some who, in Congress, that would rather not take on the tough issue, make—they're afraid if you take on a tough issue, it will make it harder to get reelected.

And so I'm not surprised that there is a, kind of a reaction, the do-nothing reaction in Congress toward Social Security, and I'm not surprised the American people are saying, "I wonder why nothing is getting done." You know, they see a problem, and they're wondering why people won't step up and solve the problem. So I'm not surprised about—that there's a—people are balking at doing big things. I do think we'll get an energy bill that will be good and show the American people finally we're willing to put an energy strategy in law that will help us conserve more and diversify away from hydrocarbons and develop technologies that will enable us to burn coal cleanly, for example.

Overseas, the idea of helping a country that had been devastated by a tyrant become a democracy is also a difficult chore, and it's hard work, particularly since there's an enemy that is willing to use suicide bombers to kill. It's hard to stop suicide bombers, and it's hard to stop these people that, in many cases, are being smuggled into Iraq from outside Iraq. It's hard to stop them. And yet they're able to do incredible damage. They're damaging not only—you know, they're obviously killing Americans, but they're killing a lot more Iraqis. And their whole attempt is to frighten the people of both our countries. That's what they're trying to do.

In other words, they figure if they can shake our will and affect public opinion, then politicians will give up on the mission. I'm not giving up on the mission. We're doing the right thing, which is to set the foundation for peace and freedom. And I understand why the Al Qaida network, for example, is so terrified about democracy, because democracy is the opposite of what they believe. Their ideology is one of oppression and hate. Democracy is one that lifts up people and is based upon hope.

I think I said at this press conference here in the East Room, you know, "It's like—following polls is like a dog chasing his tail." I'm not sure how that translates. But my job is to set an agenda and to lead toward that agenda. And we're laying the foundation for peace around the world.

Iraq is a part of the agenda. There's going to be—there were elections in Lebanon. We hope Egypt has free and open elections. My dream is that there be a Palestinian state living side by side in peace with Iraq. I noticed our former Ambassador to Afghanistan is with us, who is now going to be the ambassador to Iraq. Afghanistan is a hopeful story. It's still difficult because, again, there are terrorists there associated with this—the likes of—or are a part of the Al Qaida network that is interested in stopping the advance of democracy because democracy is—will be a part of their defeat and demise.

Prime Minister Jafari. Thank you very much. As for the question on the reduction of support, Iraq's—the Iraqi people had a specific request which is toppling down Saddam Hussein for reasons relating to their dignity and their policy—their politics. And after Saddam Hussein was removed, through the different efforts of international efforts and Iraqis, this was achieved. Right now we have another danger, which is terrorism, which is against not only the Iraqi people but all the world of the country—of the world, and at any time, doesn't have any particular land, but it works everywhere. Geography of terrorism is the human beings, themselves. And those people who are doing it are the enemies of humanity.

Once they do it in Washington, once in Spain, once in Iraq. So fighting the terrorism and limiting their impact and in order to keep the human dignity and civilization requires that we all act together. It's not only the duty of Iraqi people but other countries as well. As you know, Iraq is rich in oil, in water, in cultivation, as strategy and—[*inaudible*]—and also—but because of the exception of circumstances of Iraq, now it has become a poor country, so we have to have the impact and the support from other countries.

The success of our Iraqi people is your own success. The people of Iraq is civilized. I look forward to support from all other countries of the world. You have given us something more than money. You have given us a lot of your sons, your children that were killed beside our own children in Iraq. Of course this is more precious than any other kind of support we receive. You have to be proud before your own people that you presented us for the maintenance of democracy in Iraq and to remove the dictatorship. We do not forget those who stood beside us at hard times, and they are decided to go forward. And there is a lot of difference between one month and another, between one week and another. Iraqi people are insistent on going along the path for their economy and their security, but we do need the help of other countries who will help us, to stand beside us.

Thank you.

President Bush. Final question, Mr. Prime Minister. Would you——

Reconstruction in Iraq

[*The reporter spoke in Arabic, and the question was translated by an interpreter.*]

Q. Mr. Prime Minister, I am a presenter on radio in Iraq. My question is for you. For more than 2 years, we've started a change in Iraq, but the process of building is very slow. There are secure cities in Iraq, Samarra and Kurdistan. When will you begin the reconstruction in Iraq? When do we begin to establish the first bases of reconstruction? And you know that if you started reconstruction in Iraq, it will mean that young people will have something to do, and they will leave terrorist activities. So the question is for Mr. Prime Minister. There were discussions held with President Bush, and the most important thing you discussed with him, we want to know about it. Thank you very much.

President Bush. Sometimes we don't tell you things, you know. [*Laughter*] No, we discussed a lot of important things. We discussed democracy. We discussed having the constitution there, and we discussed security. We discussed reconstruction.

We are spending reconstruction money, but you know, you need to ask that to the Government. They're in charge. It's your Government, not ours. This is the Government that is—that has got the ministries in place that spends the money. We're willing to help, and we have helped. And I want to thank the Congress and the American people for their generosity in helping Iraq rebuild, and we're spending money.

But remember, your question kind of made it seem like—that we're in charge. We're not. You had elections; 8½ million people voted; and this good man is now in charge of the Government. I don't want to be passing the buck, as we say, but we're more than willing to help reconstruction efforts, but this is a sovereign Government——

Prime Minister Jafari. Thank you very much.

President Bush. ——with an elected Prime Minister, by the people of Iraq. And so we want to look forward to working with the Government. Our role is to help. His role is to govern and lead. And we've got the money allocated. Obviously, it's important to get electricity to the Iraqi citizens and clean water to the Iraqi citizens. And you know, I was pleased to see the other day when I was reading that there's a lot of air traffic in and out of the airport now, quite a lot of air traffic. In other words, there's commerce beginning to develop. We want to be helpful. But the responsibility rests with the people who the Iraqi people elected. And that's you, Mr. Prime Minister.

Prime Minister Jafari. Thank you, Mr. President. Of course, there were many points discussed with the President, Mr. Bush, in our special meeting, and we talked about so many facts. It was the first meeting between us, so we talked directly about

the democracy in Iraq and the constitution, the achievement of the constitution, and we decided to continue the case of security until everything is well established.

And at the same time, we thought that there is a Marshall project after the Second World War that contributed—the U.S. contributed in that and in Truman's Government when they presented assistance to the German people. German people had selected Hitler in a democratic process that had a 98 percent result, however, we are quite happy with this hospitality of the U.S. So Germany was able to work.

The Iraqi people did not elect Saddam Hussein. In fact, they suffered a lot from Saddam Hussein before he attacked the geographical adjacent countries. He took their money before he took the money of Kuwait. He occupied Kuwait, in fact, as he did, and there is a lot of indications to tell us that the Iraqi people are innocent of all that had happened. They have to pay off their—so many debts, and we hope that all countries will stand beside us to correct this unexceptional [exceptional]* situation. They did not commit any crime against any people. They are peaceful. But it was Saddam Hussein who committed the crimes, and he brought about so many debts and losses to the Iraqi people.

We look forward to the international community to stand beside us, and we believe that this is a humanitarian stance. And we hope that Mr. Bush will try to redo a Marshall plan, calling it the Bush plan, to help Iraq, to help the Iraqi people. And this would be a very wonderful step that they stand beside us.

President Bush. Thank you, Mr. Prime Minister. Thank you all. Thank you.

NOTE: The President's news conference began at 11:31 a.m. in the East Room at the White House. In his remarks, he referred to former President Saddam Hussein of Iraq; Gen. John P. Abizaid, USA, combatant commander, U.S. Central Command; Gen. George W. Casey, Jr., USA, commanding general, Multi-National Force—Iraq; and U.S. Ambassador to Iraq Zalmay Khalilzad.

The President's Radio Address
June 25, 2005

Good morning. This past week, I had the honor of hosting Prime Minister Jafari, the leader of Iraq's first democratically elected Government in more than a half century.

Prime Minister Jafari and I discussed our strong partnership and the dramatic progress his nation has made over the past year. Next Tuesday is the first anniversary of the moment the Iraqi people reclaimed their free and sovereign nation. To mark that historic date, I will travel to Fort Bragg, North Carolina, to speak to our troops and the American people about our mission in Iraq, why it remains important to our safety here at home, and our two-track strategy for victory.

The military track of our strategy is to defeat the terrorists and continue helping Iraqis take greater responsibility for defending their freedom. The images we see on television are a grim reminder that the enemies of freedom in Iraq are ruthless killers with no regard for human life. The killers include members of Saddam Hussein's regime, criminal elements, and foreign terrorists. The terrorists know that Iraq is a central front in the war on terror, because

* White House correction.

they know that a stable and democratic Iraq will deal a severe blow to their ideology of oppression and fear.

The terrorists' objective is to break the will of America and of the Iraqi people before democracy can take root. Insurgents have tried to achieve that goal before. Two years ago, they tried to intimidate the Iraqi Governing Council and failed. Last year, they tried to delay the transfer of sovereignty to Iraq and failed. This year, they tried to stop the free Iraqi elections and failed. Now the terrorists are trying to undermine the new Government and intimidate Iraqis from joining the growing Iraqi security forces.

Yet democracy is moving forward, and more and more Iraqis are defying the terrorists by joining the democratic process. Our military strategy is clear: We will train Iraqi security forces so they can defend their freedom and protect their people, and then our troops will return home with the honor they have earned.

The political track of our strategy is to continue helping Iraqis build the institutions of a stable democracy. The Iraqi people have taken landmark steps by voting in free elections and forming a representative government. Prime Minister Jafari has assured me that his Government is committed to meeting its deadline to draft a new constitution for a free Iraq. Then the constitution will be submitted to the Iraqi people for approval, and new elections will be held to choose a fully constitutional government.

These are monumental tasks for the new democracy of Iraq, and the free world will continue to stand behind the Iraqi people. This past week, more than 80 countries and international organizations came together in Brussels to discuss how to help Iraqis provide for their security and rebuild their country. And next month, donor countries will meet in Jordan to discuss Iraqi reconstruction.

Our Nation's mission in Iraq is difficult, and we can expect more tough fighting in the weeks and months ahead. Yet I am confident in the outcome. The Iraqi people are growing in optimism and hope. They understand that the violence is only a part of the reality in Iraq. Each day, Iraqis are exercising new freedoms that they were denied for decades. Schools, hospitals, roads, and post offices are being built to serve the needs of all Iraqis. Increasing numbers of Iraqis are overcoming their fears and working actively to defeat the insurgents, and every Iraqi who chooses the side of freedom has chosen the winning side.

Americans can be proud of all that we and our coalition partners have accomplished in Iraq. Our country has been tested before, and we have a long history of resolve and faith in the cause of freedom. Now we will see that cause to victory in Iraq. A democratic Iraq will be a powerful setback to the terrorists who seek to harm our Nation. A democratic Iraq will be a great triumph in the history of liberty, and a democratic Iraq will be a source of peace for our children and grandchildren.

Thank you for listening.

NOTE: The address was recorded at 8:04 a.m. on June 24 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on June 25. The transcript was made available by the Office of the Press Secretary on June 24 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Statement on United Nations International Day in Support of Victims of Torture
June 26, 2005

On United Nations International Day in Support of Victims of Torture, the United States reaffirms its commitment to the worldwide elimination of torture. Freedom from torture is an inalienable human right, and we are committed to building a world where human rights are respected and protected by the rule of law.

The United States is continuing to work to expand freedom and democracy throughout the world. We will seek and support the growth of democratic movements and institutions in every nation and culture, and we will help others find their own voice, attain their own freedom, and make their own way. Throughout the world, there are many who have been seeking to have their voices heard, to stand up for their right to freedom, and to break the chains of tyranny. Too many of those courageous women and men are paying a terrible price for their brave acts of dissent. Many have been detained, arrested, thrown in prison, and subjected to torture by regimes that fail to understand that their habits of control will not serve them well in the long term. America will not pretend that jailed dissidents prefer their chains or that women welcome humiliation and servitude or that any human being aspires to live at the mercy of bullies. All who live in tyranny and hopelessness can know: The United States will not ignore your oppression or excuse your oppressors. When you stand for your liberty, we will stand with you.

Remarks Following Discussions With Chancellor Gerhard Schroeder of Germany and an Exchange With Reporters
June 27, 2005

President Bush. Opening statements and we'll answer two questions a side.

It's my honor to welcome the Chancellor of an ally and a friend back to the Oval Office. We have had and will continue to have a frank and open discussion about very important issues. Germany is a very important country in Europe, and Germany is a friend of the United States. We talked about the EU. We talked about the United Nations. We talked about Iraq. We've talked about how to spread freedom and peace. We talked about Iran. I told the Chancellor how much I appreciated the German Government working with France and Great Britain to send a very strong, unified message to the Iranians.

Our agenda is wide-ranging because we—both countries assume responsibility to help the poor and feed the hungry and help spread freedom and peace. And I want to thank the Chancellor for his willingness to come over, and I want to thank him for such a good discussion.

Chancellor Schroeder. It is, indeed, true that we have covered all those topics that the President has just mentioned and had intense conversations on all of those. I've gone in to say that it is now important in Europe that we go in and adopt our budget for the period from '06 to 2013. And I've obviously also emphasized how important it is for us to continue with the constitutional process in Europe.

I was also very pleased to hear—and that was why I said that to the President as well—that it was so helpful that he said he very much would hope to see a strong, united Europe.

Well, as you can see, we have covered a range of international topics here together. I have very much pointed out to the President what Germany does do around the world, what Germany does do in Afghanistan, for example, what Germany does contribute towards the stabilization of the situation in Iraq. I have mentioned our training schemes in the Emirates, et cetera, et cetera. I've talked about the work, the stabilizing work that Germany is doing in the Balkans, for example. And I have mentioned that since we're doing all these things internationally, we would very much hope that at some point in time, we could also have a right to representation on the Security Council if there were the space. So I said very much we're doing lots of things, so hopefully, we'll be involved with deciding things as well.

President Bush. We'll answer some questions here. First, starting with the American side. Excuse me for a minute. Nedra [Nedra Pickler, Associated Press], there you are, hiding in there. Nedra, excuse me, I mispronounced pronounced her name.

U.N. Security Council Seat for Germany/ U.N. Reform

Q. Hi. Thank you, Mr. President. Do you oppose Germany's bid for a Security Council seat?

President Bush. We oppose no country's bid for the Security Council. We agree that there needs to be U.N. Security Council reform. The U.N. also needs broader reform than just the Security Council. There needs to be management reform; there needs to be reform of the Human Rights Commission; there needs to be broad reform. And part of that reform is the U.N. Security Council, and I want to thank Gerhard's frank discussion about Security Council reform. But we oppose no country.

Do you want to call on somebody?

Chancellor Schroeder. We are very much in agreement that this reform is duly and urgently needed, and it's always been clear that it is first the reform and then the candidacies to potential seats. And, obviously, then the process will have to continue.

And if you ask me about whether I see differences, then I'd possibly say there are differences in the timing. We were pushing to have things happening very quickly. But I was very pleased, indeed, to hear that there was no opposition vis-a-vis Germany, as such, from the President.

German Elections

Q. Mr. President, Chancellor Schroeder is seeking for early elections in Germany. And what is your position? Have you wished him luck for this election? [*Laughter*]

President Bush. He's lucky he's got short elections. [*Laughter*] I still remember my election—month after month after month of campaigning.

We haven't talked about the elections yet. The Chancellor is—you know, he's a seasoned political campaigner, and if there's elections, I'm confident he knows what he's going to do out there. But we have not talked about the elections yet. As we say in Texas, this won't be his first rodeo. [*Laughter*]

Steve [Steve Holland, Reuters].

Chancellor Schroeder. We just have to add at this point, it is important that our national German President hasn't even yet decided whether we are going to have these elections. So by that very rule, we shouldn't be discussing them here as a topic.

But when it comes to elections, I think there's this wonderful saying from back home in Lower Saxony where I come from, which says, "Ducks are fat at the bottom end." [*Laughter*]

President Bush. Steve.

Iran

Q. Iran has a new leader. Do you think this will alter the climate of the nuclear talks? And what's your message to the new leader?

Interpreter. I'm sorry; I couldn't hear you.

President Bush. Iran has a new leader—my message is—to the Chancellor is that we continue working with Great Britain, France, and Germany to send a focused, concerted, unified message that says, the development of a nuclear weapon is unacceptable, and a process which would enable Iran to develop a nuclear weapon is unacceptable. And I want to again appreciate the EU–3's strong unification and message. The message hasn't changed.

Q. Was the election free and fair?

President Bush. It's never free and fair when a group of people, unelected people, get to decide who's on the ballot.

Chancellor Schroeder. Well, firstly, I couldn't agree more with this message. We are going to continue being tough and firm on all of that. The message must stay very crystal clear, and it is.

And secondly, the new President has emphasized that he wants the talks to continue, so here we are.

President Bush. Final question.

Germany's Role in Iraq

Q. Mr. President—[*inaudible*]—sometimes you praise what Germany is doing in Afghanistan to help that country. How would you qualify what it is doing in Iraq to help the reconstruction? Maybe you even could be so free to label it as a part of a reconstruction coalition of the willing?

President Bush. I think that Germany's contribution in Iraq——

Chancellor Schroeder. I understand. It's okay.

President Bush. Oh, sorry, do you want——

Chancellor Schroeder. No, it's okay.

President Bush. You understand? Okay. Very good English, by the way. [*Laughter*]

Germany's contribution in Iraq is important. The key to success in Iraq is a—is for the Iraqis to be able and capable of defending their democracy against terrorists. And the training mission that the Chancellor referred to is an important part of helping the Iraqis defend themselves.

Parallel with the security track is a political track. Obviously, the political track has made progress this year when 8 million people went to the polls and voted. And now they must write a constitution and have the constitution approved, then have elections later on this year for a Government elected under the new constitution.

And part of the political process is not only the elections and the constitution, but part of the political process is the reconstruction programs, of which Germany is an important part. And I want to thank the Chancellor and his Government.

A free and democratic Iraq in the heart of the Middle East will help the United States and help Germany, because we have been—we will have laid a foundation of peace for generations to come. And I appreciate the—appreciate your focus.

Chancellor Schroeder. There can be no question a stable and democratic Iraq is in the vested interest of not just Germany but also Europe. And that is why we have committed ourselves to that topic right from the start, actually very much from the beginning. We were the ones that jumped at the idea of having a debt relief initiative right at the start, and we are also the ones who have gone in with practical hands-on help. We've gone in and started training of homegrown Iraqi security forces and admin people right away. By now, we've trained a good 1,200 people, about 50 percent of them security staff, and the other 50 percent admin advisers that help with the reconstruction of institutions from within. And this training happens in the Emirates.

President Bush. Well, thank you all for coming.

NOTE: The President spoke at 11:45 a.m. in the Oval Office at the White House. In his remarks, he referred to President-elect Mahmud Ahmadi-nejad of Iran. Chancellor Schroeder spoke in German, and his remarks were translated by an interpreter.

Statement on Senate Passage of Energy Legislation
June 28, 2005

The American people expect their leaders to work together to help provide economic and energy security. I applaud the Senate for working in a bipartisan way to pass comprehensive energy legislation consistent with what I proposed in 2001. This bill will help our economic growth by addressing the root causes of high energy prices and reducing our dependence on foreign sources of energy. It will encourage the use of technology to improve energy conservation and efficiency, help increase domestic energy supplies, support alternative and renewable sources, and enhance reliability. I urge the House and Senate to resolve their differences quickly and get a good bill to my desk before the August recess.

NOTE: The statement referred to H.R. 6.

Address to the Nation on the War on Terror From Fort Bragg, North Carolina
June 28, 2005

Thank you. Please be seated. Good evening. I'm pleased to visit Fort Bragg, "Home of the Airborne and Special Operations Forces." It's an honor to speak before you tonight.

My greatest responsibility as President is to protect the American people, and that's your calling as well. I thank you for your service, your courage, and your sacrifice. I thank your families who support you in your vital work. The soldiers and families of Fort Bragg have contributed mightily to our efforts to secure our country and promote peace. America is grateful, and so is your Commander in Chief.

The troops here and across the world are fighting a global war on terror. The war reached our shores on September the 11th, 2001. The terrorists who attacked us and the terrorists we face murder in the name of a totalitarian ideology that hates freedom, rejects tolerance, and despises all dissent. Their aim is to remake the Middle East in their own grim image of tyranny and oppression by toppling governments, by driving us out of the region, and by exporting terror.

To achieve these aims, they have continued to kill in Madrid, Istanbul, Jakarta, Casablanca, Riyadh, Bali, and elsewhere. The terrorists believe that free societies are essentially corrupt and decadent and with a few hard blows, they can force us to retreat. They are mistaken. After September the 11th, I made a commitment to the American people: This Nation will not wait to be attacked again. We will defend our freedom. We will take the fight to the enemy.

Iraq is the latest battlefield in this war. Many terrorists who kill innocent men, women, and children on the streets of

Baghdad are followers of the same murderous ideology that took the lives of our citizens in New York, in Washington, and Pennsylvania. There is only one course of action against them, to defeat them abroad before they attack us at home. The commander in charge of coalition operations in Iraq, who is also senior commander at this base, General John Vines, put it well the other day. He said, "We either deal with terrorism and this extremism abroad, or we deal with it when it comes to us."

Our mission in Iraq is clear. We're hunting down the terrorists. We're helping Iraqis build a free nation that is an ally in the war on terror. We're advancing freedom in the broader Middle East. We are removing a source of violence and instability and laying the foundation of peace for our children and our grandchildren.

The work in Iraq is difficult, and it is dangerous. Like most Americans, I see the images of violence and bloodshed. Every picture is horrifying, and the suffering is real. Amid all this violence, I know Americans ask the question: Is the sacrifice worth it? It is worth it, and it is vital to the future security of our country. And tonight I will explain the reasons why.

Some of the violence you see in Iraq is being carried out by ruthless killers who are converging on Iraq to fight the advance of peace and freedom. Our military reports that we've killed or captured hundreds of foreign fighters in Iraq who have come from Saudi Arabia and Syria, Iran, Egypt, Sudan, Yemen, Libya, and others. They are making common cause with criminal elements, Iraqi insurgents, and remnants of Saddam Hussein's regime who want to restore the old order. They fight because they know that the survival of their hateful ideology is at stake. They know that as freedom takes root in Iraq, it will inspire millions across the Middle East to claim their liberty as well. And when the Middle East grows in democracy and prosperity and hope, the terrorists will lose their sponsors, lose their recruits, and lose their hopes for turning that region into a base for attacks on America and our allies around the world.

Some wonder whether Iraq is a central front in the war on terror. Among the terrorists, there is no debate. Hear the words of Usama bin Laden: "This third world war is raging" in Iraq. "The whole world is watching this war." He says it will end in "victory and glory, or misery and humiliation."

The terrorists know that the outcome will leave them emboldened or defeated. So they are waging a campaign of murder and destruction. And there is no limit to the innocent lives they are willing to take.

We see the nature of the enemy in terrorists who exploded car bombs along a busy shopping street in Baghdad, including one outside a mosque. We see the nature of the enemy in terrorists who sent a suicide bomber to a teaching hospital in Mosul. We see the nature of the enemy in terrorists who behead civilian hostages and broadcast their atrocities for the world to see.

These are savage acts of violence, but they have not brought the terrorists any closer to achieving their strategic objectives. The terrorists, both foreign and Iraqi, failed to stop the transfer of sovereignty. They failed to break our coalition and force a mass withdrawal by our allies. They failed to incite an Iraqi civil war. They failed to prevent free elections. They failed to stop the formation of a democratic Iraqi Government that represents all of Iraq's diverse population. And they failed to stop Iraqis from signing up in large number with the police forces and the army to defend their new democracy.

The lesson of this experience is clear: The terrorists can kill the innocent, but they cannot stop the advance of freedom. The only way our enemies can succeed is if we forget the lessons of September the 11th, if we abandon the Iraqi people to men like Zarqawi, and if we yield the future of the Middle East to men like bin

Laden. For the sake of our Nation's security, this will not happen on my watch.

A little over a year ago, I spoke to the Nation and described our coalition's goals in Iraq. I said that America's mission in Iraq is to defeat an enemy and give strength to a friend—a free, representative government that is an ally in the war on terror and a beacon of hope in a part of the world that is desperate for reform. I outlined the steps we would take to achieve this goal: We would hand authority over to a sovereign Iraqi Government. We would help Iraqis hold free elections by January 2005. We would continue helping Iraqis rebuild their nation's infrastructure and economy. We would encourage more international support for Iraq's democratic transition, and we would enable Iraqis to take increasing responsibility for their own security and stability.

In the past year, we have made significant progress. One year ago today, we restored sovereignty to the Iraqi people. In January 2005, more than 8 million Iraqi men and women voted in elections that were free and fair and took time on—and took place on time.

We continued our efforts to help them rebuild their country. Rebuilding a country after three decades of tyranny is hard, and rebuilding while at war is even harder. Our progress has been uneven, but progress is being made. We're improving roads and schools and health clinics. We're working to improve basic services like sanitation, electricity, and water. And together with our allies, we'll help the new Iraqi Government deliver a better life for its citizens.

In the past year, the international community has stepped forward with vital assistance. Some 30 nations have troops in Iraq, and many others are contributing nonmilitary assistance. The United Nations is in Iraq to help Iraqis write a constitution and conduct their next elections. Thus far, some 40 countries and 3 international organizations have pledged about $34 billion in assistance for Iraqi reconstruction. More than 80 countries and international organizations recently came together in Brussels to coordinate their efforts to help Iraqis provide for their security and rebuild their country. And next month, donor countries will meet in Jordan to support Iraqi reconstruction.

Whatever our differences in the past, the world understands that success in Iraq is critical to the security of our nations. As German Chancellor Gerhard Schroeder said at the White House yesterday, "There can be no question, a stable and democratic Iraq is in the vested interest of not just Germany but also Europe."

Finally, we have continued our efforts to equip and train Iraqi security forces. We made gains in both the number and quality of those forces. Today, Iraq has more than 160,000 security forces trained and equipped for a variety of missions. Iraqi forces have fought bravely, helping to capture terrorists and insurgents in Najaf and Samarra, Fallujah and Mosul. And in the past month, Iraqi forces have led a major antiterrorist campaign in Baghdad called Operation Lightning, which has led to the capture of hundreds of suspected insurgents. Like free people everywhere, Iraqis want to be defended by their own countrymen, and we are helping Iraqis assume those duties.

The progress in the past year has been significant, and we have a clear path forward. To complete the mission, we will continue to hunt down the terrorists and insurgents. To complete the mission, we will prevent Al Qaida and other foreign terrorists from turning Iraq into what Afghanistan was under the Taliban, a safe haven from which they could launch attacks on America and our friends. And the best way to complete the mission is to help Iraqis build a free nation that can govern itself, sustain itself, and defend itself.

So our strategy going forward has both a military track and a political track. The principal task of our military is to find and defeat the terrorists, and that is why we

are on the offense. And as we pursue the terrorists, our military is helping to train Iraqi security forces so that they can defend their people and fight the enemy on their own. Our strategy can be summed up this way: As the Iraqis stand up, we will stand down.

We've made progress, but we have a lot more work to do. Today, Iraqi security forces are at different levels of readiness. Some are capable of taking on the terrorists and insurgents by themselves. A large number can plan and execute antiterrorist operations with coalition support. The rest are forming and not yet ready to participate fully in security operations. Our task is to make the Iraqi units fully capable and independent. We're building up Iraqi security forces as quickly as possible, so they can assume the lead in defeating the terrorists and insurgents.

Our coalition is devoting considerable resources and manpower to this critical task. Thousands of coalition troops are involved in the training and equipping of Iraqi security forces. NATO is establishing a military academy near Baghdad to train the next generation of Iraqi military leaders, and 17 nations are contributing troops to the NATO training mission. Iraqi army and police are being trained by personnel from Italy, Germany, Ukraine, Turkey, Poland, Romania, Australia, and the United Kingdom. Today, dozens of nations are working toward a common objective, an Iraq that can defend itself, defeat its enemies, and secure its freedom.

To further prepare Iraqi forces to fight the enemy on their own, we are taking three new steps: First, we are partnering coalition units with Iraqi units. These coalition-Iraqi teams are conducting operations together in the field. These combined operations are giving Iraqis a chance to experience how the most professional armed forces in the world operate in combat.

Second, we are embedding coalition transition teams inside Iraqi units. These teams are made up of coalition officers and noncommissioned officers who live, work, and fight together with their Iraqi comrades. Under U.S. command, they are providing battlefield advice and assistance to Iraqi forces during combat operations. Between battles, they are assisting the Iraqis with important skills, such as urban combat and intelligence, surveillance, and reconnaissance techniques.

Third, we're working with the Iraqi Ministries of Interior and Defense to improve their capabilities to coordinate antiterrorist operations. We're helping them develop command and control structures. We're also providing them with civilian and military leadership training, so Iraq's new leaders can effectively manage their forces in the fight against terror.

The new Iraqi security forces are proving their courage every day. More than 2,000 members of Iraqi security forces have given their lives in the line of duty. Thousands more have stepped forward and are now training to serve their nation. With each engagement, Iraqi soldiers grow more battle-hardened, and their officers grow more experienced. We've learned that Iraqis are courageous and that they need additional skills, and that is why a major part of our mission is to train them so they can do the fighting. And then our troops can come home.

I recognize that Americans want our troops to come home as quickly as possible. So do I. Some contend that we should set a deadline for withdrawing U.S. forces. Let me explain why that would be a serious mistake. Setting an artificial timetable would send the wrong message to the Iraqis, who need to know that America will not leave before the job is done. It would send the wrong signal to our troops, who need to know that we are serious about completing the mission they are risking their lives to achieve. And it would send the wrong message to the enemy, who would know that all they have to do is wait us out. We will stay in Iraq as long as we are needed and not a day longer.

Some Americans ask me, "If completing the mission is so important, why don't you send more troops?" If our commanders on the ground say we need more troops, I will send them. But our commanders tell me they have the number of troops they need to do their job. Sending more Americans would undermine our strategy of encouraging Iraqis to take the lead in this fight. And sending more Americans would suggest that we intend to stay forever, when we are, in fact, working for the day when Iraq can defend itself and we can leave. As we determine the right force level, our troops can know that I will continue to be guided by the advice that matters, the sober judgment of our military leaders.

The other critical element of our strategy is to help ensure that the hopes Iraqis expressed at the polls in January are translated into a secure democracy. The Iraqi people are emerging from decades of tyranny and oppression. Under the regime of Saddam Hussein, the Shi'a and Kurds were brutally oppressed, and the vast majority of Sunni Arabs were also denied their basic rights, while senior regime officials enjoyed the privileges of unchecked power. The challenge facing Iraqis today is to put this past behind them and come together to build a new Iraq that includes all of its people.

They're doing that by building the institutions of a free society, a society based on freedom of speech, freedom of assembly, freedom of religion, and equal justice under law. The Iraqis have held free elections and established a Transitional National Assembly. The next step is to write a good constitution that enshrines these freedoms in permanent law. The Assembly plans to expand its constitutional drafting committee to include more Sunni Arabs. Many Sunnis who opposed the January elections are now taking part in the democratic process, and that is essential to Iraq's future.

After a constitution is written, the Iraqi people will have a chance to vote on it. If approved, Iraqis will go to the polls again to elect a new Government under their new, permanent constitution. By taking these critical steps and meeting their deadlines, Iraqis will bind their multiethnic society together in a democracy that respects the will of the majority and protects minority rights.

As Iraqis grow confident that the democratic progress they are making is real and permanent, more will join the political process. And as Iraqis see that their military can protect them, more will step forward with vital intelligence to help defeat the enemies of a free Iraq. The combination of political and military reform will lay a solid foundation for a free and stable Iraq.

As Iraqis make progress toward a free society, the effects are being felt beyond Iraq's borders. Before our coalition liberated Iraq, Libya was secretly pursuing nuclear weapons. Today, the leader of Libya has given up his chemical and nuclear weapons programs. Across the broader Middle East, people are claiming their freedom. In the last few months, we've witnessed elections in the Palestinian Territories and Lebanon. These elections are inspiring democratic reformers in places like Egypt and Saudi Arabia. Our strategy to defend ourselves and spread freedom is working. The rise of freedom in this vital region will eliminate the conditions that feed radicalism and ideologies of murder, and make our Nation safer.

We have more work to do, and there will be tough moments that test America's resolve. We're fighting against men with blind hatred and armed with lethal weapons, who are capable of any atrocity. They wear no uniform. They respect no laws of warfare or morality. They take innocent lives to create chaos for the cameras. They are trying to shake our will in Iraq, just as they tried to shake our will on September the 11th, 2001. They will fail. The

terrorists do not understand America. The American people do not falter under threat, and we will not allow our future to be determined by car bombers and assassins.

America and our friends are in a conflict that demands much of us. It demands the courage of our fighting men and women. It demands the steadfastness of our allies, and it demands the perseverance of our citizens. We accept these burdens because we know what is at stake. We fight today because Iraq now carries the hope of freedom in a vital region of the world, and the rise of democracy will be the ultimate triumph over radicalism and terror. And we fight today because terrorists want to attack our country and kill our citizens, and Iraq is where they are making their stand. So we'll fight them there. We'll fight them across the world, and we will stay in the fight until the fight is won.

America has done difficult work before. From our desperate fight for independence to the darkest days of a Civil War to the hard-fought battles against tyranny in the 20th century, there were many chances to lose our heart, our nerve, or our way. But Americans have always held firm, because we have always believed in certain truths. We know that if evil is not confronted, it gains in strength and audacity and returns to strike us again. We know that when the work is hard, the proper response is not retreat; it is courage. And we know that this great ideal of human freedom entrusted to us in a special way and that the ideal of liberty is worth defending.

In this time of testing, our troops can know: The American people are behind you. Next week, our Nation has an opportunity to make sure that support is felt by every soldier, sailor, airman, coast guardsman, and marine at every outpost across the world. This Fourth of July, I ask you to find a way to thank the men and women defending our freedom by flying the flag, sending a letter to our troops in the field, or helping the military family down the street. The Department of Defense has set up a web site, americasupportsyou.mil. You can go there to learn about private efforts in your own community. At this time when we celebrate our freedom, let us stand with the men and women who defend us all.

To the soldiers in this hall and our service men and women across the globe: I thank you for your courage under fire and your service to our Nation. I thank our military families. The burden of war falls especially hard on you. In this war, we have lost good men and women who left our shores to defend freedom and did not live to make the journey home. I've met with families grieving the loss of loved ones who were taken from us too soon. I've been inspired by their strength in the face of such great loss. We pray for the families, and the best way to honor the lives that have been given in this struggle is to complete the mission.

I thank those of you who have reenlisted in an hour when your country needs you. And to those watching tonight who are considering a military career, there is no higher calling than service in our Armed Forces. We live in freedom because every generation has produced patriots willing to serve a cause greater than themselves. Those who serve today are taking their rightful place among the greatest generations that have worn our Nation's uniform. When the history of this period is written, the liberation of Afghanistan and the liberation of Iraq will be remembered as great turning points in the story of freedom.

After September the 11th, 2001, I told the American people that the road ahead would be difficult and that we would prevail. Well, it has been difficult, and we are prevailing. Our enemies are brutal, but they are no match for the United States of America, and they are no match for the men and women of the United States military.

May God bless you all.

NOTE: The President spoke at 8:02 p.m. In his remarks, he referred to Usama bin Laden,

leader of the Al Qaida terrorist organization; senior Al Qaida associate Abu Musab Al Zarqawi; former President Saddam Hussein of Iraq; and Col. Muammar Abu Minyar al-Qadhafi, leader of Libya. The Office of the Press Secretary also released a Spanish language transcript of this address.

Memorandum on Strengthening the Ability of the Department of Justice To Meet Challenges to the Security of the Nation
June 28, 2005

Memorandum for the Vice President, the Secretary of State, the the Secretary of Defense, the Attorney General, the Secretary of Homeland Security, the Director of the Office of Management and Budget, the Director of National Intelligence, Assistant to the President for National Security Affairs, Assistant to the President for Homeland Security and Counterterrorism

Subject: Strengthening the Ability of the Department of Justice to Meet Challenges to the Security of the Nation

The United States Department of Justice has a vital role in the protection of the American people from threats to their security, including threats of terrorist attack. The Department of Justice and its subordinate elements, including the Federal Bureau of Investigation (FBI), have made substantial progress toward strengthening their national security capabilities and coordinating effectively with other elements of the Government with related responsibilities, but further prompt action is necessary to meet challenges to the security of the United States.

The Report of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction (March 31, 2005) (chapter 10) recommended:

> To ensure that the FBI's *intelligence elements* are responsive to the Director of National Intelligence, and to capitalize on the FBI's progress, we recommend the creation of a new National Security Service within the FBI under a single Executive Assistant Director. This service would include the Bureau's Counterterrorism and Counterintelligence Divisions and the Directorate of Intelligence. The service would be subject to the coordination and budget authorities of the DNI as well as the same Attorney General authorities that apply to other Bureau divisions.

The Department of Justice's primary national security elements—the Office of Intelligence Policy and Review, and the Counterterrorism and Counterespionage sections—should be placed under a new Assistant Attorney General for National Security.

I approve the above recommendations of the Commission and direct the Attorney General to implement them, coordinating with the Director of National Intelligence (DNI), the Director of the Office of Management and Budget, and as appropriate, the heads of other agencies. In implementing such recommendations with respect to the FBI, the Attorney General shall:

1. Combine the missions, capabilities, and resources of the counterterrorism, counterintelligence, and intelligence elements of the FBI into a new National Security Service headed by an Executive Assistant Director or other senior FBI official of an equivalent

or higher level of authority, experience, and responsibility;
2. Obtain the concurrence of the DNI before an individual is appointed as the head of the FBI's National Security Service;
3. Assign to the FBI's National Security Service, subject to the authority of the Director of the FBI, principal responsibility within the FBI for the collection, processing, analysis, and dissemination of intelligence to further enhance the security of the Nation;
4. Ensure that the FBI National Security Service's intelligence activities, both at headquarters and in the field, are funded through the National Intelligence Program (except to the extent otherwise agreed by the Attorney General and the DNI, or directed by the President) consistent with the DNI's statutory authorities;
5. Develop procedures to ensure the DNI, through the head of the FBI's National Security Service, can effectively communicate with the FBI's field offices, resident agencies, and any other personnel in the National Security Service, to ensure that the activities of the service are appropriately coordinated, consistent with the authorities of the Attorney General and the DNI granted by law or by the President; and
6. Establish programs to build an FBI National Security Service workforce, including special agents, intelligence analysts, and as appropriate, other personnel, necessary to the effective performance of the national security missions of the FBI.

The Attorney General, after coordination with the DNI, shall submit a report to me, through the Director of the Office of Management and Budget, the Assistant to the President for National Security Affairs, and the Assistant to the President for Homeland Security and Counterterrorism, within 60 days of the date of this memorandum setting forth steps taken to implement this memorandum and further steps planned to implement it, including a schedule with milestones for completion of implementation. In addition, within 180 days of the date of this memorandum, the Attorney General shall prepare, coordinate with the DNI, and submit, in the same manner as described above, a report of progress in implementing this memorandum.

The Attorney General shall implement this memorandum subject to the availability of appropriations and in a manner consistent with applicable law, including the Constitution and laws protecting the freedom and information privacy of Americans.

GEORGE W. BUSH

NOTE: This memorandum was released by the Office of the Press Secretary on June 29.

Message to the Congress on Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters
June 28, 2005

To the Congress of the United States:

Pursuant to the International Emergency Economic Powers Act, 50 U.S.C. 1701 *et seq.* (IEEPA), I hereby report that I have issued an Executive Order that takes additional steps with respect to the national emergency declared in Executive Order 12938 of November 14, 1994, regarding the proliferation of weapons of mass destruction (WMD) and the means of delivering

them, and the measures imposed by that order, as expanded by Executive Order 13094 of July 28, 1998.

This order is designed to combat WMD trafficking by blocking the property of persons that engage in proliferation activities and their support networks. It is intended to advance international cooperative efforts against WMD financing, including with our G–8 partners and through the Proliferation Security Initiative. This order also provides a model for other nations to follow in adopting laws to stem the flow of financial and other support for proliferation activities, as decided in United Nations Security Council Resolution 1540. It further implements a key recommendation of the Silberman-Robb WMD Commission.

Executive Order 12938, as amended, authorizes the Secretary of State to impose certain measures against foreign persons (individuals or entities) determined to have materially contributed to the proliferation efforts of any foreign country, project, or entity of proliferation concern. The measures that the Secretary of State may choose to impose under Executive Order 12938, as amended, are a ban on U.S. Government procurement from the designated foreign person; a ban on U.S. Government assistance to the designated foreign person; and a ban on imports from the designated foreign person.

Recognizing the need for additional tools to defeat the proliferation of WMD, I have signed the new order, which authorizes the imposition of a new measure—blocking—against WMD proliferators and their support networks. This action, sometimes referred to as freezing, will apply to property and interests in property of persons designated under the order and will deny such persons access to the U.S. financial and commercial systems. Modeled after Executive Order 13224 of September 23, 2001, the new order provides broad new authorities to target not only persons engaged in proliferation activities, but also those providing support or services to such proliferators.

In particular, the order blocks the property and interests in property in the United States, or in the possession or control of United States persons, of (1) the persons listed in the Annex to the order; (2) any foreign person determined by the Secretary of State, in consultation with the Secretary of the Treasury, the Attorney General, and other relevant agencies, to have engaged, or attempted to engage, in activities or transactions that have materially contributed to, or pose a risk of materially contributing to, the proliferation of WMD or their means of delivery (including missiles capable of delivering such weapons) by any person or foreign country of proliferation concern; (3) any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, the Attorney General, and other relevant agencies, to have provided, or attempted to provide, financial, material, technological, or other support for, or goods or services in support of, proliferation-related activities or any person blocked pursuant to the order; and (4) any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, the Attorney General, and other relevant agencies, to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any blocked person.

In addition, the order amends section 4(a) of Executive Order 12938, as amended, by conforming the criteria for determining that a foreign person has engaged in activity described in that order to the criteria for designations by the Secretary of State set forth in section 1(a)(ii) of the new order. Executive Order 12938, as amended, will continue to be an important tool to combat WMD proliferation.

Actions taken under the order become effective on June 29, 2005. The new order recognizes the need for more robust tools to defeat the proliferation of WMD around

the world. The steps that we are undertaking in this new order form yet another part of our evolving response to this challenge.

GEORGE W. BUSH

The White House,
June 28, 2005.

NOTE: This message was released by the Office of the Press Secretary on June 30. The Executive order of June 28 is listed in Appendix D at the end of this volume.

Interview With the London Times
June 29, 2005

The President. Looking forward to the G–8. First of all, I enjoy the experience of working with leaders. You can imagine my respect for Tony Blair. I'm fond of Tony Blair. I like being around him. It's an enjoyable experience. I like to be with all the leaders. I find it to be a heady experience, and it energizes me.

Secondly, I'm looking forward to the topics. There will be discussions other than the well-known topics. Hopefully, discuss Palestinian peace—or the Middle Eastern peace and a Palestinian state. Hopefully, we'll talk the freedom agenda—I think we will. I know we're going to talk about Africa, and I look forward to talking about Africa. We've got a great record in Africa, and the reason we've got a great record in Africa is that I believe in the admonition, "To whom much has been given, much is required." And I can't wait to share ideas about what we can do going forward.

I'm looking forward to the discussion on climate. You know, this is an opportunity to take the world—the dialog that the world watches beyond Kyoto. I fully recognize my decision in Kyoto was unpopular. I had a reason for doing so, and I've explained it for now 3 or 4 years as to why. But there's a lot we can do together. And we've got a good record, and we've got some important things to share. We're spending a lot of money on research and development. We've got a strategy to move forward, and at this moment, it is important to bring the developing countries into the dialog.

And Tony Blair did a smart thing by inviting developing countries. It will be a great opportunity to be able to discuss not only how we can be good stewards of the environment but how we can develop strategies to become less dependent on hydrocarbons and fossil fuels. And so I'm looking forward to it; I really am. I'm looking forward to getting back to Scotland, which is going to be a neat experience for me.

So let's go around the horn a couple of times here.

U.S. Aid to Africa

Q. Okay. Can we pick up on Africa, then G–8?

The President. Please, yes.

Q. Billions of dollars flow out of the U.S. every year in trade and aid to the developing world. And that figure, as you mentioned, has risen significantly on your watch. But having said that, the U.S. Government still gives only .16 percent of its GDP to Africa. Is that enough? And have you got anything else to offer?

The President. We will have—we will make some more commitments. First of all, the way I like to describe our relationship with Africa is one of partnership. That's different than a relationship of, you know, a check-writer. In other words, partnership means that we've got obligations and so do the people we're trying to help—a sense

of working together. We have a partnership when it comes to African Growth and Opportunity Act, AGOA. It's an aggressive trade pact that President Clinton started with Congress, and then I signed extensions to it. It's working.

The truth of the matter is, when you really think about how to get wealth distributed, aid is one way, but it doesn't compare to trade and commerce. And we've opened up markets, and we're beginning to see a payoff of more commerce but, as well, the effects of commerce, entrepreneurship and small businesses.

My Millennium Challenge Account initiative is a new way of approaching how we work together in partnership to alleviate poverty and hunger. Listen, Americans want to deal with poverty and hunger and disease, but they don't want their money being spent on governments that do not focus attention on health, education, markets, anticorruption devices. And I can't in good faith say, "Let's continue to be generous"—after all, you did mention tripling the money—but I can't guarantee the money is being spent properly. That's just not good stewardship of our own money, nor is it effective in helping the people.

And so the Millennium Challenge Account is an approach that I sponsored and strongly back. We've got to do a better job of getting the money out the door so Congress will continue to embrace the Millennium Challenge Account. In other words, we've got the programs going, but they're slower than I want. And as a result, Congress is saying, "If this is such an important program, how come you're not kicking the money out the door?" And I'm convinced once we get money going out the door and we can show tangible results, we'll be able to fund a lot more programs.

Thirdly, our approach as well has been when we see disaster, let's move it to help people. Recently, I announced a $674 million food package. I mean, I can proudly proclaim at the G–8 that the United States feeds more of the hungry than any nation in the world.

Fourthly, it is important for people to understand that the contribution of the citizens of the United States is made not only through taxpayers' money but through private contributions. Our tax system encourages people to do this. So, you know, the calculation of whatever you said—point-oh-something of GDP—is one way to look at it. My point to our friends in the G–8 and to the African nations is, is that each country differs as to how we structure our taxes and how we contribute to help. And our contribution has been significant, and there will be some more.

Zimbabwe

Q. Mr. President, one country there is a lot of concern about, as you know, in Britain in particular, is Zimbabwe, which is headed by a brutal tyrant, frankly.

The President. Yes, he is.

Q. I'm glad you say that.

The President. I think I've called him that.

Q. Right.

The President. Better make sure—remember—I'm sorry to interrupt. The South African press was here with Mbeki, and they quoted back my words—I think I might have used those words, but go ahead.

Q. Well, first, he is, as you say——

The President. He's a tyrant. He's ruined a—a country that used to not only feed Africa, in other words, an exporter of food, they're now an importer of food because of the decisions he has made.

Q. Should it be the responsibility of other African countries to do more to isolate that country? And should you make what they do a condition of rich countries, giving them aid? I mean, they do seem—they don't seem to take this seriously.

The President. Yes, see, I think the programs that—I forgot to mention HIV/AIDS, by the way, a significant commitment. And the reason I just thought of

HIV/AIDS, our programs are really designed to help people. For example, I've always said we should never use food as a diplomatic weapon. And therefore, I think we ought to use the fact that we're working in partnership with countries as an opportunity to convince them to—convince Mugabe to make different decisions. On the other hand, I don't think we ought to make—or allow his tyranny to cause others to suffer on the continent of Africa.

I'm convinced the closer our ties grow as a result of collaborative efforts—again, the aid program that I think about is one that requires governments to work closely together in partnership. I keep emphasizing that, but that's a different approach to development. Partnership when it comes to trade, partnership when it comes to taking direct taxpayers' money—or taxpayers' money directly and spending it in such a way that—with a government that is committed to people.

Those kinds of programs enable us to be more influential on the other foreign policy concerns of the particular country. And so, no, I don't think we ought to punish the people of Africa because of the man in Zimbabwe. He's already done that. But I do think we ought to continue to speak clearly about the decisions he has made, and I do, as does the Prime Minister of Britain.

Climate Change

Q. On the other main G–8 talk, climate change, do you believe the Earth is, in fact, getting warmer? And if so, do you believe that it is man who is making it warmer?

The President. I believe that greenhouse gases are creating a problem, a long-term problem that we've got to deal with, and we are. Step one of dealing with it is to fully understand the nature of the problem so that the solutions that follow make sense. And I think one of the interesting points that I made earlier, that I'll continue to make, is that there's an interesting confluence now between dependency upon fossil fuels, from a national and economic security perspective, as well as the consequences of burning fossil fuels for greenhouse gases.

And that's why it's important for our country to do two things. One is to diversify away from fossil fuels, which we're trying to do. We're leading the—I think we're spending more money than any collection of nations when it comes to not only research and development of new technologies but the science of global warming. I laid out an initiative for hydrogen fuel cells. We've got a lot—we're doing a lot of work on carbon sequestration. We hope to have zero emissions coal-fired electricity plants available for the United States, as well as neighbors and friends and developing nations.

I'm a big believer that nuclear power, the newest generation of nuclear power, ought to be a source of energy, and we ought to be sharing these technologies with developing countries. I'm going to talk to the Prime Minister of India about that when he comes to see me.

One of these days, I'm absolutely convinced that biodiesel will become an economic form of energy here in America. We're going to need more diesel engines to begin with, but I put regulations in place, by the way, that cuts the emissions from diesel engines by about 95 percent. It's a collaborative effort between manufacturers, government, regulators that was a substantial change in the—will cause a substantial change in the amount of emissions from diesel engines.

In summary, technology, with the right Government focus and help, is going to change how we live and will make us more economically secure, and does so. We're leading the way, and I want to talk to my friends in the G–8 about how we can work together in such a way to do so.

There are interesting—I think the people and your readers will be interested to note, the market also is working. The hybrid

automobiles, mainly manufactured by the Japanese or only manufactured by the Japanese, at least in our country, are now taking off. I think there's only market penetration of a couple hundred thousand. Demand is huge now for them. We've got—in the energy bill, which I think I'll be signing here before the August break, there's a pretty good-sized tax credit for those who purchase a hybrid automobile. And the truth of the matter is, for us to fully deal with the greenhouse gases as well as our dependency upon fossil fuels, we're going to have to figure out how to drive better. We're going to have to figure out better engines for our cars and different fuel sources for cars.

Iraq

Q. Mr. President, can I ask you about Iraq?

The President. Please, yes.

Q. Last night you talked a lot about it. You mentioned 9/11 repeatedly and the importance of—and how Iraq is part of the broader war on terrorism. But there is evidence, isn't there, that Iraq is becoming a haven for jihadists. There's been a CIA report which says that Iraq is in danger of becoming another Afghanistan or like Afghanistan of the 1980s.

The President. Yes.

Q. Are you creating—are you at risk of creating the kind of—more of the problems that actually led directly to 9/11?

The President. No, quite the contrary. We're going to—this is where you win the war on terror, is you go to the battlefield, and you take them on. And that's what they've done. They've said, "Look, let's go fight. This is the place." And that was my point. My point is, is that there is an ideology of hatred, an ideology that's got a vision of a world where the extremists dictate the lives—dictate to millions of Muslims.

They do want to topple government in the Middle East. They do want us to withdraw. They're interested in exporting violence. After all, look at what happened after September the 11th. One way for your readers to understand what their vision is, is to think about what life was like under the Taliban in Afghanistan. So we made a decision to protect ourselves and remove Saddam Hussein. The jihadists made a decision to come into Iraq to fight us for a reason. They know that if we're successful in Afghanistan—in Iraq, like we were in Afghanistan, that it will be a serious blow to their ideology. And the interesting thing about this debate is, you've got to first understand or believe that we are dealing with people that have got an ideology and kind of world vision.

That was part of the campaign, as you might remember. The debate was, "Is this a law enforcement measure or is a war on terror?" And so my speech last night was reminding people about what I believe. General Abizaid told me something very early in this campaign I thought was very interesting. He's a capable man. He's an Arab American, who I find to be a man of great depth and understanding. He said, "When we win in Afghanistan and Iraq, it's the beginning of the end"—talking about the war on terror—"if we don't win in either, it's the beginning of the beginning."

And that's how I view it, and that's what that speech said last night. And the context of September the 11th was this, we came—we learned firsthand the nature of the war on terror on September the 11th, so when the war first came here, is what I say. The last time I went to Europe I said something, which is true, I said, and many in Europe viewed September the 11th as a tragic moment, but a moment. I viewed it—view September the 11th as an attack as a result of a larger war that changed how I view the world, as did—and how many other Americans view the world. It was one of these moments in history that changed outlook.

And so long as I'm sitting here in this Oval Office, I will never forget the lessons

of September the 11th, and that is that we're in a global war against coldblooded killers. And you're seeing that now being played out in Iraq. And we're going to win in Iraq, and we're going win because, one, we're going to find them and bring them to justice. And two, we're going to train Iraqis so they can do the fighting. The Iraqis don't want foreign fighters in their country stopping the progress toward freedom.

And the notion that people want to be free was validated by the over 8 million people who voted, which happened not all that long ago, although it appears, it seems to be a long time ago. I mean, it wasn't all that long ago that people were saying, "These people don't really want to be free." And in fact, 8 million of them showed up, or over 8 million. And now we're back to a period where we're moving along the road forward. We're on a dual track between the security process and the political process. And the political process is about to have a key moment, which is the writing of the constitution. And I think it will be written on time, and it will be a document that will embolden others in the Middle East.

And the other point I made last night, which is very important for people to understand, is that there is a freedom movement taking place around the world. You've seen it in Europe with Ukraine and Georgia, and we're seeing it in the Middle East. And again, the debate was whether or not certain people can be free or not. If you would review my Whitehall speech, I made that point. And frankly, I rejected the kind of intellectual elitism of some around the world who say, "Well, maybe certain people can't be free." I don't believe that. I, of course, was labeled a blatant idealist. But I am, because I do believe people want to be free, regardless of their religion or where they're from. I do believe women should be empowered in the Middle East. I don't believe we ought to accept forms of government that ultimately create a hopelessness that then can be translated into jihadist violence. And I believe strongly that the ultimate way you defeat an ideology is with a better ideology. And history has proven that.

Anyway, you got me going. [*Laughter*] Sorry to give the whole speech again.

Q. Let me just——

The President. That was an important moment to give. It's not the first time I've talked to the Nation about the way forward, and it won't be the last time I've talked to the Nation about the way forward. My job is to occasionally, you know, go out above the—above the filter and speak directly to the people. I did so at the Inaugural Address. I've done so at the State of the Unions. I do so here. And I must continually remind people, make the connection between the—two things, probably—I don't know if I'm giving you more than you need, but two things that are very important for people to understand is that, one, I firmly know that we've got to defeat them there, face them there, or we'll face them again here or in Great Britain or anywhere else where somebody is bold enough to say, "We want to be free."

And the other point is, is that we're laying a foundation for peace, that free societies ultimately yield peace. And I like to remind people that one of my close collaborators and friends—somebody I'll see in Scotland—is Prime Minister Koizumi of Japan. And it wasn't all that long ago in the march of history that Japan was our mortal enemy. And I'm convinced that they're not our mortal enemy because we helped rebuild the country and at the same time helped them develop a democracy.

Iran

Q. On Iran, quickly, the new Iranian President was a ringleader of the students who took Americans hostage.

The President. Right, right.

Q. He said today the wave of the Islamic revolution will soon reach the entire world. Is this the kind of guy you can—the West,

the U.S. and its European allies can really do business with?

The President. Time will tell. The first interface, kind of serious interface with the West will be on the EU–3 discussions about the nuclear ambitions of Iran. And our position is very clear, and that is, is that they should not be able to develop the technologies that will enable the enrichment of uranium, which will ultimately yield a nuclear weapon. I say that because they tried to do that clandestinely before, which, obviously, shows that there's a conspiratorial nature in their thinking.

And secondly, that their stated objective is the destruction of Israel, for example. In diplomacy, it's important to establish common goals. Once you establish a common goal or common objective, it then makes it much easier to work together to achieve diplomatic ends.

Our common goal is that Iran should not have a nuclear weapon. That is, people universally recognize that is a valid goal, and we're hooked together on that. Our position and the position of our EU–3 is that you shouldn't—if that's the case, you shouldn't have the means to develop a nuclear weapon.

And so the first test as to, as you said, whether or not he can relate to the West, will be on this issue, it seems like to me. And I want to thank the foreign ministers of Great Britain, Germany, and France for working in a collaborative way to send that constant—consistent message to the Iranians.

Prime Minister Tony Blair

Q. Tony Blair has taken great risks and shown great loyalty to you over the last 4 years and at occasionally great cost to himself domestically. What have you done for him, and is it enough?

The President. The decisions we have made have laid the foundation of peace for generations. His decisionmaking was based upon what he thought was best for the free world—for Great Britain and the free world. What doesn't happen in our relationship is we sit down here and calculate how best we can help each other personally. That's not our—our job is to represent something greater than that.

And you know, we've had several press avails together, and one of the undercurrents has always been, you know, quid pro quo. Leaders think about visions that are positive and hopeful and optimistic, and you work toward that. And that's what's led my decisionmaking process, and it's what led—that's why we're a great alliance. Allies work together for the common good. And that's what we have the chance to do in the G–8, work together for the common good in a smart way.

I admire Tony Blair. I admire Tony Blair because he's a man of his word. I admire Tony Blair because he's a leader with a vision, a vision that I happen to agree with, a vision that freedom is universal and freedom will lead to peace. I admire him because in the midst of political heat, he showed backbone. So he's been a good ally for America. And guess what? Americans admire him too.

Europe

Q. A very quick question on Europe. Europe is in turmoil at the moment politically. Tony Blair takes over the Presidency of the EU on Friday. He wants to push—he has a vision of an EU which is open, which is open to trade, which liberalizes its markets, which is economically free and dynamic. And he's got a struggle on his hands. You've said you want a strong Europe. You want a strong and integrated Europe. What's your vision of a strong and integrated Europe?

The President. My vision is one that is economically strong, where the entrepreneurial spirit is vibrant. And the reason I say that is because Europe is our largest trading partner. We trade a trillion dollars a year. And it's really helpful for our own economy to have a strong, vibrant Europe—economic Europe.

Secondly, a strong Europe is one where we can work in common cause to spread freedom and democracy. A viable EU has been—is very important for sending messages to places like the Ukraine, Georgia, Kosovo, that with the right decisionmaking by their governments, that they're a part of the greater Europe, which is I think a really important role for the EU.

In terms of helping people who hurt, the EU can be a great partner with the United States. We can do a lot when we collaborate. And obviously we're watching with interest what has taken place during the recent EU debate, when Jose Barroso and Prime Minister Juncker from Luxembourg came, Jean-Claude. You know, my message was, was that we want you to succeed. We want you to be a partner. We want to have a partner that is viable and strong. If you have a friend, you want your friend to be strong. Strong friends make it easier to get things done.

And so it's going to be—it'll be of great interest to me to watch how the European Union deals with its current problems. But I believe they will over time.

President's Upcoming Visit to Scotland

Q. Can I just ask you quickly about Scotland?

The President. Yes.

Q. You're actually arriving in Scotland on your birthday.

The President. I am.

Q. And I wondered if you have any plans for an appropriate celebration? [*Laughter*]

Q. Haggis.

Q. That may or may not include haggis?

The President. Yes, haggis. I was briefed on haggis. [*Laughter*] No. Generally, on your birthday you—my mother used to say, "What do you want to eat?" And I don't ever remember saying, "Haggis, Mom." [*Laughter*]

But I'm looking forward to going back to Scotland. I've got fond memories of Scotland. There's a fellow named James Gammell, who was a well-known Scottish investment banker from Ivory & Sime. And he had a lot of friends in Texas, and one of whom was my dad. And he had son—he had a son my age, and we did an exchange program. And my year to go to visit Scotland was, I think, the year we actually moved from Midland, Texas, to Houston, Texas—quite a dramatic year for me.

Anyway, I went there and spent a month or so on their sheep farm in Glen Isle, I believe it is. It was a fantastic experience. First of all, it's a fabulous family, and their farm is beautiful. They still have the farm. It's still in their family, I'm told, by another son. Jamie is the older son who was my age, and then Billy was a person that I then reconnected with. He was an oil and gas guy—became an oil and gas guy. And he used to come out to Midland, Texas, and we did some deals together. I take it—he's taken his little entity and built it into a big entity. He's a very successful entrepreneur.

I see Billy on occasion. Actually, Billy and his wife, Geraldine, and their two kids came to visit Laura and me, I want to say, last year. We went to Camp David. And so we're in touch. And then I saw—the Queen gave a beautiful dinner for us at Buckingham Palace, and Gammell showed up in his kilt. And I said, "Look, buddy, you can wear your kilt, but I'm not going to wear one, if that's all right." [*Laughter*]

Q. And how—is there any—you're staying at the most famous golf course in the world. Are you going to have some time for——

The President. I'm afraid Blair has got us over-scheduled. [*Laughter*] And he didn't—he wants us to work as opposed to get a lot of recreation. I'm looking forward to walking the links, if possible. I'd like to get a little—I'm an exercise person. And I'd like to get some exercise. Laura is going over there, so she and I can walk around together, holding hands in the Scottish mist.

Q. Very romantic. Thank you very much.

The President. Listen, thanks guys, for coming. I appreciate it.

NOTE: The interview was taped at 10:28 a.m. in the Oval Office at the White House for later broadcast. In his remarks, the President referred to Prime Minister Tony Blair and Queen Elizabeth II of the United Kingdom; President Robert Mugabe of Zimbabwe; President Thabo Mbeki of South Africa; Prime Minister Manmohan Singh of India; former President Saddam Hussein of Iraq; Gen. John P. Abizaid, USA, combatant commander, U.S. Central Command; Prime Minister Junichiro Koizumi of Japan; President-elect Mahmud Ahmadi-nejad of Iran; President Jose Manuel Durao Barroso of the European Commission; and Prime Minister Jean-Claude Juncker of Luxembourg, in his capacity as President of the European Council. Journalists participating in the interview were Gerard Baker and Roland Watson. This transcript was released by the Office of the Press Secretary on June 30. A tape was not available for verification of the content of this interview.

Interview With the Danish Broadcasting Corporation
June 29, 2005

Mr. Kim Bildsoe-Lassen. Thank you, Mr. President. Let me initially thank you for this opportunity. It is actually the first time an American President in office has been interviewed like this on Danish television.

The President. Oh, thanks. Glad to do it. Thank you.

President's Leadership

Mr. Bildsoe-Lassen. And there is obviously an abundance of subjects that would be of great interest to talk about, but since we only have limited time, I would like to start rather bluntly, if I may. There are many people in Europe and in Denmark who feels that America, under your leadership, has become an often arrogant superpower. And the "either you're with us or against us" attitude has created a more violent and dangerous world. What do you say to those people?

The President. Well, first of all, I can understand why some people didn't agree with or support my decision to, for example, take the Taliban out in Afghanistan or take the action I took in Iraq. Those are hard decisions. And I can understand why some said, "Well, gosh, we don't understand why he did that, nor do we agree with it."

On the other hand, people have got to understand my mentality, and it changed after September the 11th. For some in Europe, September the 11th was just a moment, a sad moment. For me, it changed how I looked at the world and changed how many Americans looked at the world because we were attacked. And we believe we're at war with a group of hateful men who profess an ideology that is the opposite of ours.

And—but having said that, in defense of my policies, I did go to the United Nations, not only for Afghanistan but for Iraq. And we did work with allies, and we did ask people's opinion. And we put a coalition together, of which your great country joined. And I'm thankful for your Prime Minister's tough decision. He's a good man, and he's a friend.

It's—I understand we have an obligation as an influential nation to reach out to others. And I believe I've done so as the President. And we also have an obligation as an influential nation to help others. And I'm going to the G–8 here—I'm going to

Denmark first, then the G–8. And I'm proud to talk about the record we've got when it comes to HIV/AIDS on the continent of Africa or feeding the hungry. But—and I've got a—I look forward to going to Denmark and explaining what's in our heart and our intentions and our desires and our friendship with the Danish people.

Iraq War/Weapons of Mass Destruction

Mr. Bildsoe-Lassen. But I do also sense that there are some who feel that the moral leadership of the United States has been somehow compromised by the fact that the world was led to the war in Iraq believing that there was weapons of mass destruction. It now seems like there wasn't. And I know that there were other nations, there was the U.N., who also believed there were weapons of mass destruction. But you said it again and again; people in your administration said it again and again.

The President. Right.

Mr. Bildsoe-Lassen. How do you feel about that today?

The President. Well, I'm obviously disappointed. I thought there were—I thought we'd find weapons of mass destruction, as did the world. In other words, it wasn't just our intelligence, nor was it just my administration. My predecessor, President Clinton, felt the same way, based upon what everybody thought was solid intelligence. That's why I—here I put together a group of distinguished citizens from both political parties to analyze what went wrong on the intelligence. As a matter of fact—announced today that we were implementing some serious reforms of our intelligence gathering.

On the other hand, I believe we made the right decision because Saddam Hussein was not only a tyrant, but he was a threat to world peace. He had the capacity to make weapons of mass destruction. Even though we hadn't found the weapons themselves, we certainly know he made the capacity.

And people who went and analyzed the situation came back and said, "Look, he was a dangerous person"—even though no weapons were found, the ability to make weapons and his intent and his relationship with terrorists. So I——

Mr. Bildsoe-Lassen. But do you understand that there are people who say, "Can we believe it the next time a grave danger is emerging?"

The President. Yes, I can. Sure. Absolutely. And I, myself, want to make sure that the intelligence that we share with our friends and allies is—or the intelligence we get from our allies—is good, solid intelligence. Absolutely. I've got to make decisions based upon good information.

And people of Denmark got to understand, listen, committing troops ought to be—is the last option for me. It's the hardest thing a President does, and I don't like to commit troops. Yesterday, I gave a speech to the Nation about a way forward in Iraq. I'm confident Iraq is going to be a free and democratic nation. Before I did so, I met with 38 families, all of whom had a loved one die in Iraq and Afghanistan. And it's hard to do that. It's hard to know that my decision put these kids in harm's way, and they didn't come back to the arms of their loved ones. And you just got to know, it is—it is the last thing I want to do. The last decision I want to make is to put our young folks into harm's way.

And it's—I had to tell every one of them two things. One, I thanked them for their sacrifice but also reminded them that we're laying the foundations for peace. And I truly believe we are. I would not put those kids out there if I didn't believe there's a better world ahead.

Europe-U.S. Relations/Kyoto Protocol

Mr. Bildsoe-Lassen. Now, you have, as President, been dealing seriously and intensively with Europe for the last 4½ years. And if I may ask you a little unconventional question: What do you think is the most

annoying aspect of the way that we Europeans look at the world?

The President. You know, that's a very tough question because if I answer it, obviously I admit there's something annoying about Europeans, which I don't want to admit. I don't want to say that. Listen, I think——

Mr. Bildsoe-Lassen. But we do look at the world very differently, don't we?

The President. Well, for example, Kyoto. Let me bring up a very controversial subject. A lot of the leaders in Europe and a lot of people in Europe believe that all—get the United States to sign Kyoto and everything would be fine with the environment.

Well, first of all, Kyoto would have wrecked our economy. And I couldn't, in good faith, sign Kyoto. And nor—99 Senators, U.S. Senators from both parties, said, "Don't sign Kyoto. We're not for Kyoto." It became a point of contention that I didn't think was healthy or necessary, and yet it became a—it became a—kind of a signpost of whether or not the United States was willing to participate with other nations.

By the way, Kyoto didn't include China and India, for starters, who happen to be big polluters as well. And so I'm going to go to the G–8, by the way, and I'll talk to Anders about this when I see him, about my plans to share a lot of the research and development we're doing. I mean, we're spending $20 billion to better understand the science and better—and more likely to develop technologies that will enable this country to diversify away from fossil fuels.

See, we got to diversify away from fossil fuels. We're hooked on oil from the Middle East which is a national security problem and an economic security problem and, at the same time, burning fossil fuels is a part of the cause of greenhouse gases.

Domestic Cultural Issues

Mr. Bildsoe-Lassen. Let me change subjects completely, if I may. The cultural war, as it often described here in America, is something that we in Denmark look upon with some interest and some also maybe lack of understanding—gay marriage, abortion, and so forth.

The President. Sure.

Mr. Bildsoe-Lassen. Why have these subjects become such a focus in America today?

The President. Well, I think abortion—I know abortion has been a focus for quite a period of time. And there is a genuine philosophical debate, a debate amongst good people—good, decent, honorable, patriotic Americans who have a difference of opinion. I happen to be one who believes that we ought to guard life. Life is precious in all forms, all stages. And that then leads into political debates, that philosophy, that belief leads into political debates on issues like whether or not a parent should be notified prior to a daughter's abortion, for example. That's how it has manifested—different laws, for example. Occasionally—somebody proposed a law, for example, if you murder a pregnant woman, should the person be charged with murder once or twice? I happen to believe the person ought to be charged twice, first the mother and second the—the child. And that, of course, sparks debate. And that's why you're seeing debates on this issue.

Gay marriage is another issue——

Mr. Bildsoe-Lassen. Can I just, if I may, your personal—do you think abortion should be illegal?

The President. No, I've always believed that there—we ought to—abortion ought to be illegal with the exception of rape, incest, or life of the mother. But look, I'm a realist as well. I mean, this is an issue that has polarized the American political society. And in order to get good policy in place that protects the life of a child, we're going to have to change hearts. And

it's—so I've been promoting what I call a culture of life, at every aspect of the debate remind people that life is precious. And—but I can see why people take an interest in the debates here. It's—it's—I happen to believe a society based upon respect for life is an important society—is a whole society, I guess is a better way to put it.

The Presidency

Mr. Bildsoe-Lassen. When I told my 11-year-old daughter the other day that I was going to interview you, she asked me, "What does a President really do." And I told her, maybe a little simplistically, that he rules the world. [*Laughter*] And she then asked me, "What does a man with so much power think about before he falls asleep?"

The President. That's great.

Mr. Bildsoe-Lassen. So if I may be a little personal here, Mr. President——

The President. Sure.

Mr. Bildsoe-Lassen. ——I would like to convey her question to you, and what do you think about when you have time alone?

The President. Yes, fascinating question. Sometimes the 11-year-olds ask better questions than us—than we adults. First, if I—if she asked me what do I do, I would—I would say, I make a lot of decisions. It's a decisionmaking job, which means I better listen to good people. And I think when the people take a look at my Government, they'll say, "Gosh, that old George W. is surrounding himself with some great people." And I have. And I give them a chance to tell me what's on their mind. I listen carefully, and then I make up my mind, and they say, "Yes, sir, Mr. President."

You've got to tell your daughter that, one, I sleep well at night. I subscribe that—this may be controversial for some—I subscribe it to the fact that I've got peace of mind. And I attribute that to my faith and to this amazing fact about America: Millions of people—no matter what their political affiliation may be or their background—pray for me and Laura. And for that, I am incredibly grateful.

I'm an exerciser. I love to exercise. Your Prime Minister has challenged me to many a run and bike ride. I'm—I can only—I can't run with him because my knees hurt. And I probably won't be able to bike with him because he's a great athlete, but nevertheless, I exercise a lot. And that helps take the stress off.

I read a lot. And so when I—tell your daughter, right before I go to bed, after I do my homework, I'm an avid reader. I like to read history. I just finished a book about George Washington. And so I get my mind off my work and get my—I get—if I've got troubles, I get my—get the troubles off my mind by reading a lot. And then I—I'm kind of getting to be an old guy so I fall asleep about 9:30 p.m., much to the chagrin of Laura Bush. Up at 5:15 a.m., I get to work about 6:45 a.m.

President's Upcoming Visit to Denmark

Mr. Bildsoe-Lassen. Thank you, sir. Just this very last question.

The President. Please.

Mr. Bildsoe-Lassen. What are you looking forward mostly to your visit to Denmark?

The President. I'm looking forward to seeing your Prime Minister, who I like. He's a good guy. I'm looking forward to seeing Her Majesty. I have never been to Denmark. I'm looking forward to seeing the beauty of the country. I don't get out much when I travel, I must confess. I won't be your average American tourist being able to move around freely. I wish I could. But the job doesn't afford me to do that, nor—you know, it would be unfair to the people of Denmark if I tried to move around too much because the security would be quite inconvenient to them. But I really am looking forward to having a good discussion, talking about our common interests, talking

about a way forward to help promote democracy and peace. And I'm looking forward to a good night's sleep on the soil of a friend.

Mr. Bildsoe-Lassen. Thank you very much, sir, for your time. And I hope you have a pleasant and enjoyable visit to Denmark.

The President. Thank you, sir, appreciate it.

Mr. Bildsoe-Lassen. Thank you.

The President. Good job.

NOTE: The interview was taped at 1:45 p.m. in Map Room at the White House for later broadcast. In his remarks, the President referred to Prime Minister Anders Fogh Rasmussen and Queen Margrethe II of Denmark; and former President Saddam Hussein of Iraq. This transcript was released by the Office of the Press Secretary on June 30. The Office of the Press Secretary also released a Spanish language transcript of this interview. A tape was not available for verification of the content of this interview.

Remarks on the Upcoming Group of Eight Summit
June 30, 2005

Thank you all. Thanks a lot. Please be seated. Thanks for the warm welcome. It's a pleasure for Laura and me to join you here at the Smithsonian, where America's heritage is kept and where the achievements of all cultures are celebrated.

I thank Wally Stern for your kind introduction and for his leadership of the Hudson Institute. I appreciate all the Hudson Institute members who are here. Thank you for your service to our country.

I want to thank the members of the diplomatic corps who have joined us. I appreciate your coming. I particularly want to say thanks to the Ambassadors from the African nations who are here. I have visited your beautiful and hopeful continent, and next month, Laura will travel to South Africa, Tanzania, and Rwanda to highlight the partnership we're building on education, the empowerment of women, and the fight against HIV/AIDS. She's a really good ambassador for our country.

I want to—I appreciate our Secretary of State who has joined us today. Condoleezza Rice, I'm proud you're here. Thanks for joining us. You're doing a fabulous job, by the way.

Ambassador Rob Portman, the U.S. Trade Representative is with us. Ambassador, thanks for joining us. Andrew Natsios, Administrator of USAID, is with us. Good to see you, Andrew. Thanks for coming. Randy Tobias, who is the U.S. Global AIDS Coordinator—Ambassador Randy Tobias—thank you for joining us, Mr. Ambassador. I appreciate your noble work.

I want to thank Senator Sam Brownback and Congressman Jim Kolbe and Congresswoman Nita Lowey for joining for us. We're honored you're here. Thanks for coming.

Secretary Ann Veneman, the UNICEF executive director, is with us. It's great to see you, Ann. Thanks for being here. I want to thank Larry Small, the Secretary of the Smithsonian Institute.

I want to thank Dr. Julian Raby, the director of the Freer and Sackler Galleries of Art. I appreciate Herb London, the president, Ken Weinstein, the executive officer of the Hudson Institute. And thank you all for being here.

Next week, I'm going to head to the G–8 summit in Scotland. Out there, I'll meet with leaders of the industrialized nations. As in earlier meetings, we will discuss the great political and economic progress being made in Africa and the next steps

we can take with African leaders to build on that progress. The whole world will benefit from prosperity and stability on the African continent. And the peoples of Africa deserve the peace and freedom and opportunity that are the natural rights of all mankind.

We seek progress in Africa and throughout the developing world because our interests are directly at stake. September the 11th, 2001, Americans found that instability and lawlessness in a distant country can bring danger to our own. In this new century, we are less threatened by fleets and armies than by small cells of men who operate in the shadows and exploit weakness and despair. The ultimate answer to those threats is to encourage prosperous, democratic, and lawful societies that join us in overcoming the forces of terror, allies that we're finding across the continent of Africa. We fight the war on terror with our power. We will win the war on terror with freedom and justice and hope.

We seek progress in Africa and throughout the developing world because conscience demands it. Americans believe that human rights and the worth of human lives are not determined by race or nationality or diminished by distance. We believe that every life matters and every person counts. And so we are moved when thousands of young lives are ended every day by the treatable disease of malaria. We're moved when children watch their parents slowly die of AIDS, leaving young boys and girls traumatized, frightened, and alone. Peoples of Africa are opposing these challenges with courage and determination, and we will stand beside them.

Yet the continent of Africa is so much more than the sum of its problems. After years of colonization and Marxism and racism, Africa is on the threshold of great advances. Economic growth is at the highest level in 8 years. Leaders have emerged from South Africa to Nigeria to Kenya, to broker an end to old conflicts. Last year alone, five nations south of the Sahara held successful democratic elections. All who live in Africa can be certain, as you seize this moment of opportunity, America will be your partner and your friend.

In a developing world, we have an unprecedented opportunity to help other nations achieve historic victories over extreme poverty, with policies and approaches that are tested and proven. These victories will require new resources. The United States has tripled overseas development aid to Africa during my Presidency, and we're making a strong commitment for the future. Between 2004 and 2010, I proposed to double aid to Africa once again, with a primary focus on helping reforming countries.

Yet new resources are not enough. We need new thinking by all nations. Our greatest challenge is to get beyond empty symbolism and discredited policies and match our good intentions with good results.

First, overcoming extreme poverty requires partnership, not paternalism. Economic development is not something we do for countries; it is something they achieve with us. Their leaders, by definition, must play the main role as agents of reform and progress, instead of passive recipients of money.

Over the decades, we've learned that without economic and social freedom, without the rule of law and effective, honest government, international aid has little impact or value. But where there's freedom and the rule of law, every dollar of aid, trade, charitable giving, and foreign and local investment can rapidly improve people's lives.

Economic aid that expects little will achieve little. Economic aid that expects much can help to change the world. Through the Millennium Challenge Corporation, established a year-and-a-half ago,

America has begun awarding generous financial aid to countries that fight corruption, embrace democratic government, encourage free markets, and invest in the health and education of their people.

Eight nations in Africa are now moving toward grants. In April, Madagascar became the first country to sign a Compact that begins aid to vital development projects. In the last 6 weeks, the MCC board has approved three Compacts, one with an African nation, and I expect the MCC to move quickly in the future. Governments making the hard choices deserve our strong support. I call upon the United States Congress to fully support this initiative for new hope and progress across the developing world.

Second, overcoming extreme poverty goes hand in hand with improving the environment. Stagnant economies are one of the greatest environmental threats in our world. People who lack food and shelter and sanitation cannot be expected to preserve the environment at the expense of their own survival. Poor societies cannot afford to invest in cleaner, more efficient technologies. Indira Gandhi spoke of poverty and need as the greatest polluters. The long-term answer to environmental challenges is the rapid, sustained economic progress of poor nations.

The best way to help nations develop while limiting pollution and improving public health is to promote technologies for generating energy that are clean, affordable, and secure. Some have suggested the best solution to environmental challenges and climate change is to oppose development and put the world on an energy diet. But at this moment, about two billion people have no access to any form of modern energy. Blocking that access would condemn them to permanent poverty, disease, high infant mortality, polluted water, and polluted air.

We're taking a better approach. In the last 3 years, the United States has launched a series of initiatives to help developing countries adopt new energy sources, from cleaner use of coal to hydrogen vehicles to solar and wind power to the production of clean-burning methane to less-polluting powerplants. And we continue to look for more opportunities to deepen our partnerships with developing nations. The whole world benefits when developing nations have the best and latest energy technologies.

Third, overcoming extreme poverty will require lifting a burden of debt that we know poor nations cannot repay. Unending debt payments have fewer resources for governments to spend on the needs of their people and make it impossible to join the global economy as a full participant. Zambia, for example, is spending more on debt service than the Government's entire budget for health and education. Last year, poor nations owed $7 billion in debt payments to creditors. This burden is hurting people in desperate need, and this burden must be lifted.

In 2001, I challenged the World Bank to give 50 percent of its aid to poor countries in grants instead of loans. And the bank has moved steadily closer to that goal. With the leadership of Great Britain and the United States, the G–8 countries are urging cancellation of $40 billion in debt owed by 18 of the world's poorest nations, including 14 nations in Africa. Twenty more countries can qualify for this debt forgiveness in the future, with good government and sound economic policies. We're determined not only to relieve debt but to erase it, so nations in need can face the future with a clean slate.

Fourth, overcoming extreme poverty will require greater trade. While aid and debt relief can create better conditions for development, it is trade that provides the engine for development. Only 30 years ago, South Korea's per capita GDP was equal to that of many African countries. Thanks to export-led growth, South Korea is as rich as many European countries. This example

can be multiplied throughout the world and lift great numbers of people out of poverty.

The developing world stands to gain the most from an open trading system. Historically, developing nations that open themselves to trade grow at a rate several times higher than countries that practice protectionism. The poor of the world do not experience trade as globalization. They experience trade as running water and electric power and decent housing, broader education, and better health care for their families.

Too many nations have been cut off from the economic progress of our time, and we must expand the circle of trade to include them. Under the African Growth and Opportunity Act, which has reduced barriers to trade, U.S. exports to sub-Sahara Africa increased 25 percent last year. And America's imports from AGOA countries rose 88 percent. Now we must take the next large step, expanding the entire global trading system through the Doha negotiations. The World Bank estimates that completing these negotiations could add $350 billion annually to developing countries' incomes and lift 140 million people out of poverty. The Doha negotiations are the most practical and important antipoverty initiative in the world, and we must bring them to a prompt and successful conclusion.

Fifth, overcoming extreme poverty will require an atmosphere of peace, achieved in some cases by effective African military forces that can end terrible conflicts. Recent wars—recent history shows how wars and internal conflicts can stop the development of whole nations. But we're seeing progress. Tens of thousands of refugees who fled war are returning home in places such as Liberia and Sierra Leone and Burundi. We can add to this progress. Over the next 5 years, America will provide training for more than 40,000 African peacekeepers as part of a broader initiative by the G–8 countries. We will help African forces to preserve justice and order on the African continent.

We're strongly committed to peace for all the peoples of Sudan. American mediation was critical to ending a 20-year civil war between north and south, and we're working to fully implement the comprehensive peace agreement signed last January. Yet the violence in Darfur region is clearly genocide. The human cost is beyond calculation. In the short term, more troops are needed to protect the innocent, and nations of the African Union are stepping forward to provide them.

By September, the African Union mission in Sudan will grow from 2,700 to 7,700 personnel. In a NATO operation next month, the United States military will airlift more than 1,000 Rwandan troops. We will support the construction of additional 16 base camps over the next 2 months, and we will provide communications and vehicle maintenance for the entire force.

In the long run, the tragedy in western Sudan requires a settlement between the Government and the rebels. And our message is clear: All sides must control their forces, end the killing, and negotiate the peace of a suffering land.

Finally, overcoming extreme poverty will require humanitarian aid that focuses on results, not merely on inputs and other flawed measures of compassion. True compassion is measured by real improvements in the lives of men, women, and children. And that is the goal and that is the focus of American policy.

Aid from America will help avert a famine this year in the Horn of Africa. All told, nearly 60 percent of global food aid to the continent of Africa comes from the United States, and Americans are proud to give that aid.

And since 2003, our country has undertaken a major effort against HIV/AIDS, the largest health initiative in history to combat a specific disease. Across Africa, we're working with local health officials to expand AIDS testing facilities, to train and support

doctors and nurses and counselors, to upgrade clinics and hospitals, to care for children orphaned by AIDS, and to support pastors and priests and others who are teaching young people the values of respect and responsibility and prevention. We're making life-giving treatment possible for more than 230,000 adults and children in Africa. We're determined to reach our 5-year goal of treating 2 million.

This effort is succeeding because America is providing resources and Africans are providing leadership. Local health officials set the strategy, and we're supporting them. We're also respecting the values and traditions of Africa. Uganda and other nations are applying a prevention strategy called ABC, Abstinence, Be faithful in marriage, and Condoms. ABC is balanced, effective, and reflects the moral teachings of African cultures. And no one is helped when outsiders try to impose a lower standard of responsibility.

Today, in Africa, the United States is engaged as never before. We're seeing great progress, and great needs remain. So this morning, I announced three additional initiatives to help Africans address urgent challenges. Across the continent, there is a deep need for the empowerment of women, and that begins with education. Educated young women have lower rates of HIV/AIDS, healthier families, and higher rates of education for their own children. Yet only half of the children complete primary education in Africa.

Together with African leaders, we must work for the education of every African child. And to move closer to that goal, today, I proposed a double funding for America's African Education Initiative. In the next 4 years, we should provide $400 million to train half a million teachers and provided scholarships for 300,000 young people, mostly girls. We hope other nations will join us. We must give more girls in Africa a real chance to avoid exploitation and to chart their own future.

Another important aspect of empowerment and the fight against AIDS is the legal protection of women and girls against sexual violence and abuse. Many African nations have already taken steps to improve legal rights for women. South Africa, for example, has an innovative model to fight rape and domestic violence, special units in hospitals where victims can report crime and receive counseling and care, and special judges and prosecutors and police units to ensure that criminals are punished.

Today I announce a new effort to spread this approach more broadly on the continent. I ask Congress to provide $55 million over 3 years to promote women's justice and empowerment in four African nations, nations that can stand as examples of reform for others. I'll urge other G–8 nations to join us in protecting the lives and the rights of women in Africa.

African health officials have also told us of their continuing battle with malaria, which in some countries can cause more death than AIDS. Approximately one million last year alone died on the African continent because of malaria. And in the overwhelming majority of cases, the victims are less than 5 years old, their lives suddenly ended by nothing more than a mosquito bite. The toll of malaria is even more tragic because the disease itself is highly treatable and preventable. Yet this is also our opportunity, because we know that large-scale action can defeat this disease in whole regions. And the world must take action.

Next week at the G–8, I will urge developed countries and private foundations to join in a broad, aggressive campaign to cut the mortality rate for malaria across Africa in half. And our Nation is prepared to lead. Next year, we will take comprehensive action in three countries, Tanzania, Uganda, and Angola, to provide indoor spraying, long-lasting insecticide-treated nets, and effective new combination drugs to treat malaria. In addition, the Gates Foundation of

Seattle is supporting a major effort to control malaria in Zambia. We've had a long tradition of public-private action. I'm grateful to have this strong partner in a good cause.

America will bring this antimalaria effort to at least four more highly endemic African countries in 2007 and at least five more in 2008. In the next 5 years, with the approval of Congress, we'll spend more than $1.2 billion on this campaign.

An effort on this scale must be phased in to avoid shortages of supplies. Yet we intend this effort to eventually cover more than 175 million people in 15 or more nations. We want to reduce malaria mortality in target countries by half and save hundreds of thousands of lives.

I urge other wealthy nations and foundations to participate and expand this initiative to additional countries where the need is pressing. Together, we can lift this threat and defeat this fear across the African continent.

Over the last 4 years, the United States has stood squarely with reformers in Africa on the side of prosperity and progress. We've tripled our aid to Africa; we plan to double it once again. But more than this, we're standing for good government and energy development and debt relief and expanded trade, all of which will help African peoples live better lives and eventually overcome the need for aid.

America is acting in these areas because we share with Africans, themselves, a vision of what the continent can become—a model of reform, a home to prosperous democracies, and a tribute to the strong spirit of the African peoples. This vision is necessary, realistic, and already on its way to achievement.

By standing with the hopes of Africa, America is also showing the kind of country we want to be. This weekend, we mark the anniversary of our founding. We celebrate our Declaration of Independence and the universal appeal of liberty it proclaims. We celebrate our men and women in uniform who protect and defend our freedom on missions far from home. And Americans on this Fourth of July can also celebrate a great tradition of generosity, a tradition of relief after World War I, the Marshall plan and the Peace Corps, a tradition that is strong in our own time.

Two years ago, a little girl in Namibia was born to a mother and father who both had HIV. She had the disease as well. The name her parents gave her translates as the phrase, "There is no good in the world." Months ago, the girl was very sick and losing weight and close to death. But today, she and her entire family are receiving life-saving medicine. Now she's a beautiful, shy, thriving 6-year-old, with a new life ahead of her, and there's a little more good in the world.

Across Africa, people who were preparing to die are now preparing to live. And America is playing a role in so many of those miracles. We're a nation that repays our blessings with generosity to others. When we work with Africans to bring food to starving regions and malaria treatments to remote villages and miracle drugs that restore the dying to strength, this is part of our calling in the world. And as we answer that call, it makes us proud to be Americans.

Thanks for coming. May God bless you. Thank you all.

NOTE: The President spoke at 9:40 a.m. in the Meyer Auditorium at the Freer Gallery. In his remarks, he referred to Walter P. Stern, chairman of the board of trustees, Hudson Institute. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Statement on Senate Action on the Dominican Republic-Central America-United States Free Trade Agreement
June 30, 2005

I appreciate the bipartisan support in the United States Senate for the CAFTA-DR agreement, which is good for American workers, good for our farmers, and good for small businesses. When passed, it will eliminate trade barriers immediately on 80 percent of U.S.-made goods and the rest within a few years, which will help increase sales abroad and job creation at home. The agreement is also a strong boost for young democracies in our own hemisphere, whose success is important for America's national security and for reducing illegal immigration.

NOTE: The statement referred to S. 1307.

Letter to Speaker of the House of Representatives Transmitting a Supplemental Appropriation Request
June 30, 2005

Dear Mr. Speaker:

I ask the Congress to consider expeditiously the enclosed request in the amount of $975 million for a supplemental appropriation for the Department of Veterans Affairs (VA).

I am requesting these resources to cover the increased costs in FY 2005 that the VA is experiencing in its medical care system.

As Secretary Nicholson informed the Congress on June 28th, additional needs in the VA medical care system have also been identified for FY 2006. Details on specific FY 2006 requirements are under review and will be transmitted separately. My Administration is committed to ensuring that our Nation's veterans continue to receive timely and high-quality health care.

The details of the FY 2005 request are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

GEORGE W. BUSH

NOTE: An original was not available for verification of the content of this letter.

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