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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*].

Dr. 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.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

January 29

In the morning, the President had an intelligence briefing.

January 30

In the afternoon, the President had separate telephone conversations with King Abdullah II of Jordan, Crown Prince Abdullah of Saudi Arabia, and President Hosni Mubarak of Egypt to discuss the elections in Iraq.

Later in the afternoon, in the Family Theater, the President participated in a speech preparation session for his February 2 State of the Union Address.

January 31

In the morning, the President had separate telephone conversations with Prime Minister Tony Blair of the United Kingdom, President Jacques Chirac of France, and Chancellor Gerhard Schroeder of Germany to discuss the elections in Iraq, the situation in the Middle East, and the President's upcoming visit to Europe.

Later in the morning, the President had separate telephone conversations with Prime Minister Ayad Allawi and President Ghazi al-Ujayl al-Yawr of the Iraqi Interim Government to discuss the elections in Iraq. He then had an intelligence briefing and met with the National Security Council.

In the afternoon, in the Family Theater, the President participated in two speech preparation sessions.

During the day, the President had a telephone conversation with Secretary-General Kofi Annan of the United Nations to discuss the elections in Iraq.

The President announced that he has named Jack D. Crouch II as Assistant to the President and Deputy National Security Adviser.

February 1

In the morning, the President had separate telephone conversations with President Vladimir Putin of Russia, Secretary General Jakob Gijsbert "Jaap" de Hoop Scheffer of NATO, and European Union Commission President Jose Manuel Durao Barroso to discuss the elections in Iraq. Later, he had a telephone conversation with President Vicente Fox of Mexico to discuss the elections in Iraq and other issues.

Later in the morning, the President had an intelligence briefing. Later, in the Family