

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 get 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—[*laugh-ter*]—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