

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 woman 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.

* White House correction.

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 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?

Dr. 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' age—not Chuck's age, Chris' 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 Starceovich, 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.