The Economic Club of New York

461st Meeting
110th Year

Dr. Alan Greenspan
Former Chairman, Federal Reserve System
and Federal Open Market Committee

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Questioners: Marie-Josée Kravis
Vice Chair, The Economic Club of New York
Senior Fellow, Hudson Institute

Alan Murray
Chief Content Officer, Time, Inc.

Introduction

Chairman Terry J. Lundgren

Good afternoon everyone. Can I ask you to take your seats please. Thank you very much. And welcome to the 461st meeting of the Economic Club of New York in our 110th year in operation. I'm Terry Lundgren, Chairman of the Economic Club and Chairman and CEO of Macy's, Inc. The Economic Club of New York is the nation's leading nonpartisan forum for speeches on economic, social, and political issues. More than 1,000 prominent guest speakers have appeared before this Club over the past century and have established a very strong tradition of excellence. I would like to take a moment to thank and recognize our Centennial members, those who have contributed $10,000 or more to the Club to keep the Club's operations going and allow programs such as today to exist. They're seated at the Centennial tables in the front of the room and I want to just always make sure I thank you for your continued support. We would also like to welcome the three tables of our university students who we always try to include in events such as this. We have students from Columbia University Business School, from Manhattan College, and from the NYU Stern School of Business. We're always glad to have you present, and particularly today. So welcome. (Applause)

Eight years ago, the Economic Club of New York created the Leadership Excellence Award thanks to a generous personal gift of Pete Peterson, who is a former Club Chairman and longtime

member and someone who has accomplished such an extraordinary amount for our country. Since then, every two years the Club has recognized an individual who exemplified the very best in leadership on economic policy. The recipients are selected by the Prize Committee, and they are composed of a prominent group of club members, and past award winners have included George Shultz, Paul Volcker, and Alice Rivlin.

Late last year, the Prize Committee, which includes Marty Feldstein, Bill Dudley, Roger Ferguson, Andrew Tisch, Maria Bartiromo, David Koch, and led by Marie-Josée Kravis, met to select – from an outstanding group of nominees – the winner of this year's prize. And today we have the pleasure of bestowing for the fourth time this coveted award on someone most deserving of this honor. So let's run this video and take a look first.

VIDEO....(Applause)

Chairman Terry J. Lundgren: There's more, so much more. For eighteen and a half years, Dr. Greenspan served as Chairman of the Federal Reserve System and as Chairman of the Federal Open Market Committee, the system's principal monetary policy maker. He originally took office as chairman to fill an unexpired term as a member of the board, August 11, 1987. He was reappointed to the board to a full 14-year term which began February 1, 1992 and ended January 31st of 2006. He was designated Chairman by Presidents Reagan, Bush-41, Clinton, and Bush-43. Born on March 6, 1926 in New York City, his undergraduate degree in Economics and his

master's degree and his PhD came from NYU, and he also performed advanced graduate work at Columbia University. From 1954 to '74 and from '77 to '87, Dr. Greenspan was Chairman and President of Townsend-Greenspan & Co., an economic consulting firm in New York City. From '74 to '77, he served as Chairman of the President's Council on Economic Advisers under President Ford. And from '81 to '83 as Chairman of the National Commission on Social Security Reform. And he was appointed a member of President Reagan's Economic Policy Advisory Board, the President's Foreign Intelligence Advisory Board, the Commission on Financial Structure and Regulation, the Commission on an All-Volunteer Armed Force, and Task Force on Economic Growth.

Before his appointment to the Federal Reserve Board, Alan served as a Director on numerous corporations, including J.P. Morgan, Mobil Corporation, Alcoa, General Foods Corp., Cap Cities and ABC, Inc. Formerly Vice Chairman and Trustee of the Economic Club of New York, Alan was also a member of the Board of Trustees of the Rand Company, and a member of the Board of Overseers of the Hoover Institution at Stanford University, and a Director at the Council on Foreign Relations. And he also served as Chairman of the Conference on Business Economists, President and Fellow of the National Association of Business Economists, and a Fellow of the American Statistical Association.

He has received honorary degrees from Harvard, Yale, Penn, Notre Dame, Leuven in Belgium, Edinburgh Universities. He received the Legion of Honour Commander from France. He became

an Honorary Knight Commander of the British Empire and received a Medal of Freedom, the United States highest civil award.

Alan now heads Greenspan Associates, a consulting firm in Washington, D.C. and is the author of *New York Times* bestsellers, *The Age of Turbulence*, and *The Map and the Territory: Risk, Human Nature, and the Future of Forecasting*. He is married to Andrea Mitchell, who is here today. Andrea, welcome, glad to have you here. (Applause) Of course, you know Andrea is NBC's Chief Foreign Affairs Correspondent and the host of the MSNBC's Andrea Mitchell Reports. And we're glad to have you as we've said. We're thrilled also that Pete Peterson is here and has joined us today, and also is seated at the Chairman's Table. Pete, welcome. (Applause) And we're particularly happy to have you here as we present this award to Dr. Greenspan. I'd lift this box but it's not from Bloomingdale's so...but I will present this award. (Applause)

In addition to this beautiful piece of crystal from an unknown store, and like we have given to the other three recipients, Alan has received the $50...$50,000...not $50, $50,000...the trophy was $50. But the donation is $50,000 to either the charity of his choice or for a shopping spree at Bloomingdale's and Macy's for Andrea, which I would highly recommend, by the way, not that I'm biased.

In addition, I'm pleased to announce that both Alan and Pete Peterson today join an elite group of esteemed individuals who have received a lifetime membership of the Economic Club of New

York. Congratulations to both of you. And again we're delighted that you're both here today. Thank you. (Applause) Dr. Greenspan, the podium is yours.

Dr. Alan Greenspan

Former Chairman, Federal Reserve System and Federal Open Market Committee

I was enjoying that immensely and was hoping you would just continue. Thank you very much. It's a long history that I look back upon, and involved in it virtually every year – one way or the other – has been the Economic Club of New York. So I'm really honored to be here today and very much look forward to this organization continuing on the way it has for so many generations.

Today, I intend to cover the causes of the unremitting economic drag that has imperiled most of the developed world since 2008, and the very early signs that stagnation may finally be ebbing. But whether the stagnation is in the process of morphing into stagflation, creating a false sense of recovery, is still too early to judge. But it's such a rare event that it is very difficult to forecast that particular process. The key to the slowed growth is the sharp slowdown in the rate of productivity growth measured by output per worker.

Over the past five years, annual output per worker for almost all advanced economies have risen by less than 1% a year with an average annual change of half of that. The United States has risen

on average a tepid .53% per worker compared with an annual average of close to 2% per annum between 1948 and 2010. Japan, in the last five years, has risen only .45%, Germany .30%, Britain .5%. None of the larger developed economies has risen more than really an unimpressive 1.2% per year during the past five years.

What has become increasingly evident is that the vitality of our democratic institutions has become seriously impaired by this prolonged period of stagnation. It has stirred economic populism which has been periodically evident in Latin America since the end of World War II and has apparently currently gripped the United States and most of Europe.

Populism is not a structured economic philosophy such as capitalism, socialism, or communism, but it's a cry of pain by the populace for some leader to arise, take charge, and lessen their pain. The results are all too evident with the embrace of Brexit, an affirmative vote for Britain to leave the Economic Union. That vote, in turn, has threatened to unhinge the ties of Scotland and Northern Ireland to the United Kingdom as they reportedly prefer to remain in the European Union. Moreover, within the critical Euro area, Catalonia – a semi-autonomous region of Spain – is pressing for independence. And with elections in the Netherlands, France, and Germany in the weeks ahead, unconventional governments could emerge as a consequence. Finally, there is the surprise electoral win of Donald Trump in the United States.

In Europe, where I consider major problems at the moment to be hiding, not very well, Greece is

on the edge of default, and I can't remember how many times I have said that in recent years. Italy is also hobbled as it has been for years with a dicey banking system. Germany's willingness to again and again come to the financial aid of the southern Euro area has held the Euro area together. But the German Bundesbank already has a target to net credit balance of nearly $800 billion Euro against the other European central banks, including surprisingly the European Central Bank itself. The central banks of Italy and Spain are by far the major counter-party debtors to that $800 billion. And one would think that Greece was involved here, but it is just too small to actually come out as a major factor in the structure. This is clearly an unsustainable set of financial affairs. An unwinding of the Euro area, I would assume, would leave Germany with a much-strengthened Deutsche Mark and possibly a politically uncomfortable higher level of unemployment.

I would now like to turn to the cause of a prolonged period of stagnation, the decline in productivity growth. Can we have the first...I have in front of you what is one of the more interesting charts that I've seen in quite a long time. What this is telling us is that that top line is the sum of gross domestic savings in the United States plus government social benefit payments, or more exactly, entitlements. The red line is gross domestic savings by itself, and the bottom line is entitlements effectively.

Now what this is essentially saying is that over the decades, as social benefits, as entitlements have built up from really less than 5% of GDP in 1965 for example, it has built up to 13% now,

an extraordinarily large rise, and that's taken a big chunk out of the overall economy. The problem basically is that it appears very clearly to be crowding out gross domestic savings. And you can see it basically in the way the two bottom lines work against each other.

May I have the next chart please. Gross domestic savings is equal to gross domestic investment by essentially adding the net foreign savings, borrowing the foreign savings to the top line. That essentially gives us gross domestic investment. Next please.

If you put all of these data together, what you end up with is a very startling piece of evidence. Namely, that the stock of private capital, the assets of the non-residential financial system essentially explains all of the change in output per hour. So that going back to the very first chart, entitlements are driving out the funding of what ultimately is required to engender productivity growth. And, as you know, productivity growth is the basis for all economic activity, and especially standards of living. Next please.

I have found that over the years the best indicator that I have with respect to what individual corporations and businesses generally think about the long-term outlook is what I call, essentially what this chart shows is the share of liquid cash flow businesses choose to convert into illiquid assets. This is the best, this is the best measure I know of, of economic confidence. We don't ask what people say but we look at what they do. This is what they do, and as you can see over the years, it goes a little more than 1%, 1.0 rather, or below it, and that's the same as leveraging.

And the issue of confidence is most expressed when corporations are willing to leverage and leverage significantly to fund their capital investments.

Now obviously what that also means is that when there's a high degree of confidence in the economy, companies borrow to invest in physical assets. And what this shows is that after 2008, we had a collapse in confidence and it hasn't really fully recovered. And as you can see from the bottom line and those three dots, which are essentially the quarters of 2016, we are still de-leveraging, which is another way of saying that the level of confidence out there is such that the productivity growth rate is going nowhere at the moment. May I have the next chart please.

In order to really look at this thing in analytical detail – I beg your pardon that this is a little wonkish table – what this table shows is that you can explain the movements in that previous chart that is the extent of crowding out by two variables. And you can explain three-fourths of the variation, and it comes here – for those of you who don't follow this stuff and don't want to, I suggest you go maybe have a bite to eat while I go through this thing – (Laughter) what this says basically is that the willingness of individual corporations to take their liquid cash flow and put it into illiquid long term assets can be explained by the fact of the spread between the 30-year U.S. Treasury bond and the 10-year note, which is essentially what in the Federal Reserve we used to call the termed structure of interest rates.

This is basically saying that as you think in terms of what a corporation does when it invests –

having been in many such corporate meetings – the basic position of the corporation is to try to first find what type of projects are potentially profitable. And what happens in those meetings is that some form of an analysis takes place on a particular project and then they ask about the variants and essentially the variants of possible outcomes is really a function of how long the asset is supposed to last. And it turns out that the issue of having something which lasts 30 years is far more heavily discounted than that which lasts five years. And this means that it's only in periods of extreme confidence that corporations are willing to effectively put liquid cash flow into illiquid fixed assets. And what I'm saying basically is that, that first item there is essentially a measure of what the slope of the curve is which describes how distant you're willing to accept projected rates of return and still give it present value.

Now, the second item here is nothing more than the government surplus and deficit in the sense when the government is running a deficit, it is subtracting funds from corporate investment. And when it is running a surplus, it is, in fact, basically doing the opposite, namely, helping fund the private sector. May I have the next chart please.

This is a visual view of the importance of the so-called spread and the net savings. And, as you can see, in recent years the weakness in the level of capital investment is essentially being caused by the unwillingness to reach out beyond five years to invest in longer-lived assets. May I have the next please.

What this says basically is that what has been going on with these entitlement programs is a remarkable set of worrisome things. What this shows basically, starting in the, oh, 2001, 2005, the total amount of benefits is going up at a far faster rate and indeed relatively to the receipts that are supposed to fund it, we've lost all sense of controlling what we're doing with social benefits. And as a number of people have said, this is a great problem in that all of those social benefits serve a very useful purpose but we're not willing to fund them. We're not willing to raise the level of taxation. We're not willing to basically find the means of financing. Because it's only if you finance them that you don't run into the problem I mentioned in the previous charts, namely, the erosion of output per hour.

Let me go on now just to raise a few other questions which, I guess the best way of putting it is that where do we go from here? Well, we go from here in either one of two directions. And I think we're at a crossroads right now. First, let me just say that those two specific forms of explaining the level of savings and capital investment, basically they tell you what it is that is going to drive the economy. And what is happening now is that we're seeing a major move in the economy which is the result – in my judgement – almost totally of the evidence that we're beginning to reduce the degree of uncertainty in the economy, specifically in the financial system.

The financial system, as I've said for many years, has been not assisted in the slightest by the Dodd-Frank Act which is, as I said publicly many times, is the worst piece of legislation since

Richard Nixon's wage and price controls of the 1970s. And what we're beginning to see now is the possibility that Dodd-Frank may undergo a very major change and hopefully that will cause a fairly important rise in real economic activity because real economic activity depends on the degree of capital investment, and capital investment depends on the willingness of corporations to leverage their balance sheets. It's the only way in which you get a significant expansion in economic activity, in which you get rising standards of living. And I know this is not the conventional view of the economics profession, but I regret to say that the data seem to me to be highly conclusive of that fact. Why don't I end right here and try to respond to the unanswerable questions of my friends.

QUESTION AND ANSWER PERIOD

CHAIRMAN TERRY J. LUNDGREN: I'll just introduce the questioners. We have our Vice Chairman Marie-Josée Kravis, who is Vice Chair of the Economic Club but also Senior Fellow of the Hudson Institute. And we have Alan Murray, who is the Chief Content Officer of Time, Inc. And they will be asking questions. Marie-Josée, I believe you have the first question.

MARIE-JOSÉE KRAVIS: Well, first, Terry, I'd like to echo your comments and congratulate Alan. And I'd like to make the point that the Prize Committee, which I chaired, was unanimous in choosing Alan. So it was a wonderful experience, and congratulations. And I'd also like to thank Pete Peterson. Pete has always been a great defender of new ideas and a remarkable

philanthropist. And we thank you, Pete, for making this possible. Today is your day, and thank you very much. Alan, you clearly pointed out the detrimental effects of entitlement spending and regulation, and you were clear on Dodd-Frank, which in the past you have called a disastrous mistake. And I'm wondering if you might elaborate on what you think, short of repealing Dodd-Frank, what would be the key changes that would stimulate investment and consequentially productivity?

DR. ALAN GREENSPAN: Well, Dodd-Frank has got many aspects to it. And actually one aspect I approve of wholly, which is an increase in the requirements of financial intermediaries for an increase in equity capital. I think that we could do away with Dodd-Frank completely and indeed we could do away with a significant amount of financial regulation if we would do one thing – very significantly raise the ratio of required regulatory equity capital to debt for financial institutions. (Applause) Those are not the bankers who are applauding. (Laughter) The reason I say this is that what the data shows is something very unusual and very unexpected. We have got data from the Comptroller of the Currency going back to 1869 – annual data for essentially the commercial banking system, and the ratio of net income to equity capital ranges between 5 and 10% almost every year, which is another way of saying that it's an absolutely flat trend. At the same time, we've had a very significant decline in the ratio of equity capital to assets which went up from 35, almost 40%, all the way down, say in 1869, down to something in the area of under 10% in the early post-World War II period. During all of those rapid changes, the percent of rates of return on equity did not change, which leads me to conclude that irrespective of the rate

which we put as regulatory capital, as a percent of total assets, you're going to end up with the same rate of return. So aside from the fact, if we were therefore to eliminate most of what we now do in the financial system and merely require, say 30% capital, 25 to 30% capital, I think that will occur after a phased-in adjustment period, that we will have a type of financial institution which has very substantial capital and for whom it is almost impossible to get contagious defaults. Contagious defaults are what created the 2008 crisis, created 1929, it created all of the various crises which basically disrupt the economy. If you don't, I mean you get very little in the way of failures coming from non-financial corporations because they have 45%, 50% equity, so to move in that direction, I think, we could get rid of virtually all of our financial regulations. And you require basically just, if you're going to invest in something, make the shareholders take the loss, not the American taxpayer. Now I've not found 150 people running behind me saying huzzah, but that's the way I'd look at it, and I think that's what the facts tell us. It basically says that if we raise capital requirements, the rate of return on equities will still be 5 to 10%. To be sure, there will be some lending which won't occur because of contraction of the balance sheet to a certain extent, but those are the loans we shouldn't have made in the first place.

ALAN MURRAY: Thank you. And I'd like to add, I'd also like to congratulate Dr. Greenspan for this Excellence in Leadership Award. I've watched his career closely for the last 30, 35 years. He would probably say too closely at times.

DR. ALAN GREENSPAN: I wouldn't probably say it, I did say it. (Laughter)

ALAN MURRAY: You did say it a couple of times, yes. But I think it's well deserved. I'd like to try and get you to talk a little bit about how technology plays in this economic picture that you just described because you've tied productivity growth to capital stock. But when I talk to business leaders these days, the productivity possibilities that they talk about are really about digital technologies, Cloud computing, sensors of everything, data, the ability of machine learning to make sense of that data and improve decision-making and productivity. And, of course, digital businesses and digital applications don't require the same kind of capital stock that building a factory does for instance. So I'm just curious how technology plays into your description of the connection between capital and productivity.

DR. ALAN GREENSPAN: Well, let's first define certain terms. There is a calculation, I should put it this way, output per hour is a function of the physical capital put in place plus the intangible conceptual innovations. And, in fact, there's a specific term for that. It's called multi-factor productivity. If you look at the history of productivity over the generations, you find that as we all knew in the most recent period, that something very extraordinary happened in the early 1990s, and that was, this was the dot-com boom. Well, the dot-com boom was reflective of the fact of the extent to which intellectual capital basically came in. But intellectual capital has got the same issue as having present values or basically economic importance as physical being. I mean for example, one of the most important innovations in American history was the

transistor. The transistor essentially set up a system which downsized the total part of the American economy. In other words, the economy has become increasingly more, increasingly conceptual as distinct from physical. But it's very fortunate because if we didn't do that, we would be overloaded with physical capital and smokestacks everywhere. But the ability to go, I mean what is really phenomenal, you know, Moore's Law still works with respect to how many transistors you can get on to a chip. And that very simple insight, which won a Nobel Prize for several people, may be the most important thing that's happened in our generation. And it is still reverberating because it has created a wholly different sense of communication and capabilities which is an economic value. You know, you go back to the turn of the 19th century or early 18th century, people in the United States could not communicate with one another because in order to get a piece of information from one person to another you had to get on a horse and go for two hours to deliver the message whereas now obviously the extent of communication is so awesome it has taken out a very big chunk of the physical requirements that we needed in previous generations to make output per hour and therefore standards of living rise.

MARIE-JOSÉE KRAVIS: I'd like to go back onto the other culprit in your productivity conundrum and that's entitlements. And, of course, you led a Commission on Social Security and you've looked at these issues for a number of years. I wonder if you might elaborate on what would be the key elements of entitlement reform.

DR. ALAN GREENSPAN: What we didn't succeed in doing, is that what you meant?

MARIE-JOSÉE KRAVIS: Or what you think we can get done.

DR. ALAN GREENSPAN: Well, first of all, this is a commission which President Reagan set up in 1983 and its basic purpose was to find a way to get around the fact that the legal requirements of a defined benefit, which is what Social Security is, but it continuously was running into problems where it was not being properly funded and the trust funds were going to soon run out of cash. Now the problem is, the truth of the matter is that Social Security has always been a legal, quasi-legal obligation...no, I should...defacto obligation of the American government. The fact of having a defined benefit, trust fund or not, was frankly utterly irrelevant. Nonetheless, what the commission had to do was to solve the specific problem of cutting back benefits and raising revenues but what, this is 1983, we were not, as a commission, able to come to an agreement on benefit cuts until those that took, I think it went into existence in the year 2007, which was a very modest rise in the average age of entitlement. The problem that we had going back to the signing of the bill, the Social Security bill, by Franklin Roosevelt in 1935, was that it had in it the 65-year triggering point for when one would receive benefits but average life expectancy was well below that. So actually it didn't really ever get into a fiscal state which was a real problem. But we never changed that 65 years, and as life expectancy continued to rise it created a problem which exists to this day. The whole system at this stage is unsustainable, and the issue is nobody wants to touch it. It's the third rail of American politics. If you're running for office and you discuss Social Security, it's like the third rail, you touch it, you lose. And I don't

frankly know where we're going from here. Nobody wants to discuss an issue, but unless you want to have a new, a major piece of legislation which essentially undoes the laws of arithmetic, I don't know how you're going to solve this problem.

CHAIRMAN TERRY J. LUNDGREN: Last question to Alan Murray.

ALAN MURRAY: Dr. Greenspan, I want to ask you a question about the Federal Reserve, if I can.

DR. ALAN GREENSPAN: You can, but I may not answer. (Laughter)

ALAN MURRAY: That would not be a new experience for me. I covered you back when you and the Federal Reserve both were famously opaque, Delphic, in the way you communicated. And you were quite eloquent in explaining to me why you thought it was best not to be too clear with the markets or with me about what the Fed was doing or what the Fed intended to do. Today, the Fed has a very different approach. It's completely transparent. We have the famous dots telling us exactly what they're doing and exactly what they think they should do. My question for you is do you think the Fed has become too transparent?

DR. ALAN GREENSPAN: I have views on that but I'd just as soon stay with...

ALAN MURRAY: You're among friends.

DR. ALAN GREENSPAN: Especially amongst friends. Look, in our seriousness, I spent almost nineteen years at the Federal Reserve as Chairman and not a single remark came from Paul Volcker, plus or minus, on how we were doing. I've tried to adhere to that and I think it's the right thing. You shouldn't be somebody carping at your successors as to what they're doing. It's a very tough job, believe me. And I think I've stayed away from commenting on precisely the type of issue you're raising. So why don't you give me another question.

ALAN MURRAY: Oh, good, I was wondering if you were going to let me ask another question. I've always known you to be a very keen observer of the political scene, and I wonder if you could comment on the current, the political scene in Washington and its ability to address problems like the entitlement problem that you referred to.

DR. ALAN GREENSPAN: I would say they've demonstrated, the political system has demonstrated unequivocally, in the existing structure, that system is unable to handle this problem. And what the problem is, is that as the population ages an ever-larger number of people leave the labor force and go on to either disability or social insurance and Medicare and the like, all of which are rising largely because of extraordinary advances in medicine. And we have not adjusted to that fact. We want the benefits, but we don't want the costs. And there's no way to solve the problem because remember that it's, for example, if you put a Medicare bill in the hopper and you state a certain series of requirements and who gets it and who doesn't, that in

itself does not produce the pharmaceuticals, the hospitals, the whole infrastructure which is implicit in the size of the dollar figures which are associated with the entitlements. The entitlements in themselves entitle you but they don't tell you how you're going to get it or whether, in fact, it's going to be produced. And what we don't focus on is the economic costs of what these entitlements are supposed to do and really promising, giving somebody an entitlement doesn't create the resources that enable that entitlement to be cashed in, so to speak. We have to come to, this is an issue which is going to become acceleratingly difficult. And I think we're going to see it soon because the budget, the federal budget is running into serious problems. The debt is 77% of the GDP and rising at an increasing rate and will. There is only one end to this type of thing if we don't reverse it. And that is neither stagflation nor anything else, it's just plain old-fashioned inflation. (Applause)

CHAIRMAN TERRY J. LUNDGREN: Thank you very much. Thank you to our questioners, Alan and Marie-Josée, and certainly thank you to Dr. Greenspan. It's been our honor to both listen to you and to recognize you today. So thank you for speaking to our members. We really appreciate it. Thank you. (Applause) And just to give you a quick update, this is obviously a difficult act to follow, but some of the upcoming events that we have at the Economic Club of New York, on March 13th we'll have Brian Chesky who is the CEO of Airbnb. We'll have, on the 14th, we'll have Doug McMillon, the Chairman and CEO of Walmart. And Doug actually doesn't get out and speak to groups very often so this, I think, will be a very interesting event for all of us. We'll have on the 22nd the Google-Alphabet Chief Financial Officer and former

member of our club, Ruth Porat. And on the 22nd of June, we'll have dinner with Jeff Imelt of GE. And we've got Steve Ballmer coming. We've got Howard Schultz coming, of Starbucks. So we've got quite a lineup ahead. But as I said, it's a tough act to follow today. Please enjoy your lunch. (Applause)