

Remarks in a Discussion on Strengthening Social Security in Albuquerque  
March 22, 2005

*The President.* Thank you, Pete. Thanks for allowing me back in the State. It is very gracious of the people of New Mexico to not only let in a Texan—[laughter]—but to let in somebody from Arizona as well—[laughter]—and from California, I might add.

Listen, thanks, Pete. I appreciate your leadership. Pete, as you know, is a class act. He is a—he loves New Mexico, and he loves our country. We spent a lot of time talking about energy this morning. He and I are deeply concerned about the price of gasoline. We are worried about the trends taking place. We understand that we need to work with Congress to get a bill out that will encourage conservation, encourage alternative sources of energy, encourage research and development to help us use energy in wiser ways; a bill to modernize the electricity grid; a bill to encourage environmentally friendly exploration; all aimed at making America more economically secure and less dependent on foreign sources of energy. And I want to thank you for your leadership, Pete. Thanks for your leadership on the issue.

I'm proud to be here with John—John McCain. We traveled yesterday in Arizona and then Colorado and here in New Mexico. He's fixing to go back home, as am I to Texas. But the reason why I'm so pleased that John came—and you'll—we'll talk to him in a minute—is because he, like Pete, understands now is the time to get something done on the big issue of Social Security.

I'm also pleased he's here because John has been one of the true stalwarts in understanding what I call the freedom agenda. For the youngsters here, I want you to understand that you're now living in an historic time. Freedom is changing the world. We acted to secure our country, upheld doctrine—by upholding doctrine, and we

said to the Taliban, "If you harbor a terrorist, you're equally as guilty as the terrorist." We moved to uphold the doctrine and protect America, but in so doing, we liberated millions of people from the clutches of a barbaric regime. And millions of people in Afghanistan went to the polls to vote for their leadership for the first time in 5,000 years.

I believe there will be a democracy in the Palestinian Territories, and that's essential to achieve the peace with our friend and ally Israel. I was inspired by the elections in the Ukraine. I've been very inspired by the courage of the Iraqi citizens, who in the face of terrorist threats said, "We're going to be free," and they went to the polls. These are important events because free societies will be peaceful societies. As freedom spreads, the world becomes more peaceful. And I believe we're now laying the foundations for peace to come for a generation of Americans that are growing up now, and that's an important legacy.

I want to thank those who have worn our uniform. I want to thank those who are wearing the uniform. I want to thank the family members who support those who wear the uniform. I want to thank the Members of the Congress who clearly see the vision of a peaceful world.

I appreciate the Young at Heart Choir for joining us. We should have gotten here earlier, but Pete and I went over to a retirement center, and we wanted to say hello to the folks there. My message to them was, just like my message is going to be several times today, if you're getting a Social Security check, you're going to keep getting your check. I don't care what they're telling you; I don't care what the fine print in the political ads say, you will get your check. The Government is going to keep its promise. So you may hear me

say that a couple of times today because I know how important that is for the people who are getting a Social Security check to hear that message.

I also want to tell you that Laura sends her best. I spoke to her this morning. She is—I said, “How’s everything at the ranch?” She said, “Barney is doing fine.” [Laughter] I’m looking forward to spending Easter in Texas. It’s a joy to get out of the Nation’s Capital. I love my job, but I also like to get out amongst the people. I like to get home. I like to remember—to go back to my roots, where I was from. But I also like to come to places that—like Albuquerque because I believe that it’s important for those of us in elected office to tell the people what’s on our mind, to explain issues.

Now, let me start off on Social Security by telling you I believe the President’s job and I believe Senators’ jobs are to confront problems, not to pass them on to future Presidents and future Congresses. I believe that is why we get elected in the first place.

We have a problem in Social Security. Franklin Roosevelt did a good thing when he created the Social Security system, and it has worked for a lot of folks. Social Security has provided an important safety net for many, many senior citizens. But what I want to explain to you—and I think others will here as well—is that times have changed. The math has changed on Social Security. In other words—let me put it to you this way: There’s a lot of people getting ready to retire called baby boomers. I’m one. I was born in 1946. My retirement age—I reach retirement age in 2008. It turns out to be a convenient moment. [Laughter] There’s a lot of people like me that are starting to retire in 2008. There is a bulge, baby boomer bulge, a lot of us.

Interestingly enough, we are now living longer than previous generations. When Social Security was first started, life expectancy was a heck of a lot lower than it is today. Plus, many politicians in previous

years ran for office saying, “Vote for me. I will increase your Social Security benefits. In other words, I’ll increase the promises.” So my generation has been promised more benefits than the previous generation. A lot of us, living longer, getting paid more money, with fewer people paying into the system—that’s the other side of the equation.

This chart, for example, shows in the 1950s there were 16 workers for every beneficiary. In other words, the load was pretty light. Today, it’s 3.3 to 1 workers—in other words, 3.3 workers to every beneficiary. You got a lot of us living longer, getting greater benefits, with fewer people paying the load, see. And pretty soon it’s going to be 2 to 1. And so you can imagine, longer life with greater beneficiaries—in other words, the obligations are increasing quite dramatically with fewer people carrying the load. And guess who gets to carry the load? The young workers.

And the fundamental question—this isn’t an issue, frankly, about the older generation. You’re going to get your check. You’re in good shape. It’s really an issue of whether or not this Government and this country understands the burden we’re going to place on young Americans coming up. That’s what the issue is all about.

And here is the burden. This is a pay-as-you-go system: Money goes in, and it goes out. Somebody probably thinks, “Well, there’s a trust”—in other words, we’re taking your money and we’ll hold it for you, and then when you retire we give it back to you. That’s not how it works. It’s pay-as-you-go: The money comes in, and we go ahead and pay. We pay for a lot of things other than Social Security. The retirement checks are sent out, and if there’s money left over, it goes to fund all aspects of Government. And what is left behind is a piece of paper, an IOU.

In 2018, because the math has changed, more money will be going out than coming in for Social Security. People will be paying payroll taxes, but because baby boomers

like me are retired and we're living longer and we're getting bigger benefits than the previous generation, the system turns into the red. And every year thereafter, if we don't do anything, it gets worse and worse and worse.

To give you a sense of how big the problem will be for a younger generation and younger workers, in 2027 we'll be \$200 billion in the hole. That's 200 billion more than coming in for payroll taxes. It will be bigger in 2028, 2029, and in the 2030s it gets up to 300 billion. So you're getting a sense of the magnitude of the problem. Unlike the old days, when 16 workers would pay into the system for every beneficiary, it was a manageable issue; the math worked. The math doesn't work now.

And that's why I went in front of the Congress and said, "Folks, we got to do something now before it's too late." The experts will tell you the longer we wait, the harder it is to get the problem solved. And so that's why I'm traveling the country. I'm saying two things right off the bat: One, we have got a serious problem for younger generations; and two, if you're getting your check, if you're born prior to 1950, the Government is going to keep its promise to you, nothing changes.

Now, at my State of the Union, I said to the Congress, "I'm willing to listen to any good idea." I said, "Bring your ideas forward, please." In order to solve this problem, it's not going to be a Republican idea or a Democrat idea, it's going to be an American idea brought forth by both—either Republicans or Democrats or both. That's what needs to be done on this issue. That's what we got to do to fix it permanently.

I'm confident John will talk about the spirit of the 1983 agreement, but let me just say right quick, in 1983, President Reagan, Tip O'Neill, and others came together and said, "Hey, we got a problem. Let's fix it." It was a 75-year fix, but nevertheless it was a very positive spirit that got people to the table. The problem with the

75-year fix is here we are in 2005—it's 22 years after 1983; it's not exactly 75 years. The reason I bring that point up is when you hear them talking about a 75-year fix in Washington, the math doesn't work. If we're going to fix it, let's fix it forever, is what I'm saying to Members of Congress. Let's come to the table—all ideas are on the table—and let's get this problem solved once and for all.

Now, I've got an idea that I think the American people ought to seriously consider, and that is younger workers ought to be allowed to set aside some of their own money in a personal savings account as a part of the Social Security system—not the way to fix the system; it's going to require other matters to fix the system—but as a way to make the system better for the individual worker.

Let me tell you why I like the idea, and then we're going to get to our panelists. First, I like voluntary ideas. In other words, if you so choose, you should have the option. The Government is not going to say, "You must do this," but if this is an appealing idea for you, then you ought to be allowed to take some of your own money and set it aside in a personal savings account that you own yourself.

Secondly, the rate of return in a conservative mix—and notice I say "conservative mix"—of bonds and stocks is greater than that which the Government earns with your money. And that rate of return, the bigger rate of return, is important, because over time, if you hold it, your money grows, see. And it's that growth, that compounding rate of interest, that will make the system better for the individual worker.

Let me just give you an idea. If you're earning \$35,000 over your lifetime, and, say, the system says you can take a third of your payroll taxes and put it in a personal account and in a conservative mix of bonds and stocks, that will yield you, over your lifetime, when you get ready to retire, \$250,000, see. And the way the system would work is that 250,000 is yours;

you live off the interest off the 250 plus that which the Government can afford to pay you.

Now, another benefit of having your own personal account is that it's yours. It's real. It's not an IOU from one form—part of Government to the other, like the current system does. It's your asset. It's something you own. And I like the idea of encouraging ownership throughout all walks of life. You can leave it to whomever you want. You see, it will help you in your retirement. You can't liquidate the plan upon retirement because it's a part of the retirement system. But your estate, you can leave it to whomever you want. You want to leave it to your daughter, fine. Leave it to—you want to leave it to Colin, your son, leave it to your son. And then that person can use it for whatever he or she chooses.

Secondly, it's—or thirdly, this is fair for families. The way the current system works today, if you got two folks working in the family, they're both contributing to Social Security, the husband or wife dies young, the spouse either gets either the survivor benefits or his or her own Social Security check, which is ever higher, but not both. You see what I'm saying? I'm saying both contribute to the system, but if only one is living—in other words, a lot of folks die young, unfortunately, in America—it means that the spouse is only going to get the benefits of one person's contribution, not both. That doesn't seem fair to me. If somebody has worked all their life, or 30 years of their life, and dies early, it seems like that contribution ought to be worth something to the family.

And that's what a personal account will do. It will allow you to earn some money; it grows over time; and if you pass away early, it's an asset you can pass on to help your widow or your children get an education.

A couple other points—and Laura always tells me to make sure I don't talk too much. Sometimes I listen; sometimes I

don't—anyway—[laughter]. You're happy to hear I listened today. A couple other points I want to make to you. First of all, you noticed I've been saying a “conservative mix” of bonds and stocks. In other words, you can't take your money and put it in a lottery. You can't take it to the track. There is a—there's a way that you invest in a—that will get you a good rate of return without, obviously, risking your retirement.

And you know why I feel—I speak confidently about this subject on being able to have a rational plan for people to be able to get a better rate of return, because this isn't a new idea. It's a new idea to apply it to Social Security, but it's an old idea. The Federal employee Thrift Savings Plan allows for Federal employees to do just what I'm describing to you, take some of their own money, set it aside so their money grows faster.

My attitude is pretty clear on this one. I said if Congress thinks it's good enough for the Federal employees, including themselves, sure seems good enough for the average worker in America. And so I'm talking about these ideas as a way to make the system work better for an individual worker as a mix, as a part of an overall solution, permanent solution, because I believe all ideas ought to be on the table. And I think the American people want all ideas on the table. I think the American people expect members of both political parties to come and negotiate in good faith with all ideas on the table, in order to solve this issue permanently.

Joining us today is a really interesting soul named Fidel Vargas. Fidel is from the great State of California. Fidel is a person I got to know because, interestingly enough, in 2001, I anticipated that—I actually campaigned on the issues. It wasn't much of an anticipation on my part; I was following through on what I said I would do and take a serious look at solving the Social Security solvency issue. And I put together a bipartisan Commission, of which Fidel was one.

Fidel, you are a Republican or Democrat on that Commission?

*Fidel Vargas.* I'm a Democrat.

*The President.* Welcome, welcome. Tell you something interesting about Fidel, he was *alcalde*—he was the mayor of a city in California—at what age?

*Mr. Vargas.* Twenty-three.

*The President.* Yes, the guy peaked a little early, didn't he, you know. Anyway, Fidel, welcome. Thanks. Tell us about your experiences on the board, if you don't mind.

[At this point, Mr. Vargas, former member, President's Commission to Strengthen Social Security, made further remarks.]

*The President.* Thank you. Thanks very much.

*Mr. Vargas.* And just to give a background, again, I said I was a Democrat. I know, I thought being from California was going to be bad, but—[laughter].

*The President.* A lot of Democrats out here. There's people interested in this issue, Fidel.

*Mr. Vargas.* Yes, that's good. That's good, because I am a Democrat, and I was telling the President I'm a progressive Democrat and a big fan of FDR and a big fan of people like Senator Moynihan, who I served with on the Commission. And yet I realize that this is an issue that has to be addressed by all.

[Mr. Vargas continued his remarks.]

*The President.* Think about that, a payroll tax at 20 percent. If you're a young worker, a young American, you better be listening to the problem. The problem is, you'll be saddled with a 20-percent payroll tax. That's not going to work. That would be terrible for the economy. It would be terrible for your pocketbooks. Sorry. You got my attention.

*Mr. Vargas.* And my—no, absolutely. It got my attention, too, when I heard that. Or cut benefits for future generations.

[Mr. Vargas continued his remarks.]

*The President.* Let me say one thing on that, sorry. There was a guy named Pozen on the Commission who has come up with some interesting ideas to make the system progressive for future retirees. And we accept that concept; it makes a lot of sense. In other words, there's ways to design the system to be fair to people who are, particularly, at the low-income scale. And I appreciate your work on that. I know you had a lot to do with that, and it's an idea that a lot of people in Congress are taking a serious look at, and we welcome that idea.

[Mr. Vargas made further remarks.]

*The President.* Yes, Fidel, thanks. What a wonderful contribution that you made individually, that the Commission made to this debate. There's some ideas that they put on the table that will help permanently solve the issue. But more—as importantly, they set a clear example of how people should work together. Again, I repeat to you, this is going to require a focused effort by people—leaders on both sides of the aisle to come together with good ideas to do what the people expect us to do.

Somebody who understands that clearly, besides Pete Domenici, is John McCain. I appreciate you coming, Senator.

*Senator John McCain.* Thank you very much, Mr. President.

*The President.* Glad to have—glad you came back.

*Senator McCain.* Thank you, and thank you for this time I've been able to spend with you on this very important issue. And by the way, I like his tie today, don't you? [Laughter]

*The President.* Part of the Social Security uniform, yes. [Laughter]

[Senator McCain made further remarks.]

*The President.* John, thanks very much. I appreciate you coming. The spirit of the Commission, the spirit of the Senator is the spirit that's needed to fix this, and that is people of good will need to sit down.

Here's what I believe. I remember this issue, people saying, "Well, you better not talk about the issue; there will be a bad political consequence." I believe there will be a bad political consequence for people who are unwilling to sit down and talk about the issue. I think the American people expect people from both parties to stand up and take the lead and solve this issue for generations to come; that's what I believe.

Speaking about generations and generations to come, we've got Margaret Valdez with us. Margaret, thanks. First, I want to thank you for being a schoolteacher.

*Margaret Valdez.* I'm Margaret Valdez, as he said. I'm a retired schoolteacher. I get a retirement pension. I also get Social Security. I am 78 years of age, and therefore I get Social Security.

*The President.* I don't believe it. I don't believe it. Where did you teach school?

*Mrs. Valdez.* I was a teacher in the Espanola school system. I was a science teacher and retired after 28 years of teaching.

*The President.* Well, thanks for teaching. By the way, anybody out there want to serve the country, go ahead and be a teacher. It's a great way to serve the country.

Anyway, you're getting a Social Security check.

*Mrs. Valdez.* I sure do.

*The President.* And you need it.

*Mrs. Valdez.* And I need it.

*The President.* You've got to—the reason why Margaret's point is an important point, we understand—I understand; John understands; Pete understands—a lot of people rely upon the check. It's an important part of their life. That's why none of us want to put a system in place that touches that check. It's essential that you hear that.

Are you worried about getting your check, Margaret?

*Mrs. Valdez.* I am not worried at all.

*The President.* Good.

*Mrs. Valdez.* I have assured my friends and people—in fact, Senator Domenici and

I, at one time, were on the same stage, assuring the people that nothing was going to happen to your Social Security.

*The President.* You can rest assured your assurance is good. [Laughter]

[Mrs. Valdez made further remarks.]

*The President.* No, I agree. In other words, what—Margaret's concern is, will the safety net that exists today for the seniors be around for a younger generation? It's really an issue—this is a generational issue, folks. It really is. The generation now receiving the checks can rest assured you're going to get your check. And what's going to end up happening is, once that assurance sinks in, your generation is going to start saying, "What are you going to do about my grandkids?" That's why it's a generational issue.

Speaking about grandkids, you've invited one to join us, haven't you?

*Mrs. Valdez.* Yes, I sure did. I have to introduce to you my oldest granddaughter, Jessica Valdez.

*The President.* Thank you for coming, Jessica.

*Jessica Valdez.* Thank you, Mr. President.

*The President.* Great grandmother you got here, right?

*Ms. Valdez.* Yes, yes, she's great.

*The President.* That's good.

*Ms. Valdez.* She's concerned about my future. I'm only 24 years old and a recent graduate from the University of New Mexico.

*The President.* Congratulations. Very good. Proud of you.

*Ms. Valdez.* I'm sorry?

*The President.* I'm proud of you. That's great.

*Ms. Valdez.* Thank you. Thank you. I'm currently in the process of applying to medical school, so because I have not yet started my professional career, I have not yet started thinking about retirement. But I have been working since I was 16 and therefore paying into the system every two

weeks, seeing it taken out of my check since I was 16.

*The President.* So you're aware of the fact that you're contributing to take care of the grandmom, and pretty soon starting taking care of me—[laughter]—and the baby boomers.

*Ms. Valdez.* I am aware of that. I'm also aware that if the current system does not change, when I do become of age to retire, more than likely I will not have any money that I have paid into the system.

*The President.* You know what's really interesting—this is an appropriate State to say this, Pete—that an interesting survey one person Jessica's age told me about said young Americans believe it's more likely they will see a UFO than get a Social Security check. [Laughter] Kind of makes for an interesting dynamic, doesn't it, in the process.

*Ms. Valdez.* Yes, it does.

*The President.* See, if a lot of young Americans believe that, once they get assured that their grandparents are going to get their checks, the second question they'll ask—the first question is, "Will my grandmother get the check?" The second question is, "What are you going to do for me, Congress? What are you going to do to make sure that I don't have a huge burden when I'm coming up—20 percent payroll tax, perhaps? No benefits? UFO flying before checks fly?" [Laughter]

A lot of people your age starting to talk about this, Jessica, do you know?

*Ms. Valdez.* Yes, yes, they are.

*The President.* Good, I hope so.

[*Ms. Valdez made further remarks.*]

*The President.* Yes, 401(k), it's an interesting thought. I don't remember talking about them when I was 24. Do you? No, which goes to show there's an investor culture beginning to grow in America. It's changing.

*Ms. Valdez.* Yes, well, we need to save for ourselves in case it's not there for someone to save for us.

*The President.* Yes. See, Fidel said something really interesting that caught my attention: There is what's known as kind of the investor class, like only certain people are investors in America. To me, that's a notion that's just not American, nor is it something I agree with. I think all people should be encouraged to be investors. I think the more people that own something, as Fidel said, the better off our society will be.

And that hasn't been the case in our society. The truth of the matter is, some segments of our society have not had asset bases to pass on from one generation to the next. And it has been a limiting part of the U.S. experience. So here we have a young lady talking about 401(k)s and willingness to invest, and, "I want to manage my own money." Things are changing here, folks. And all we're saying, in terms of considering an interesting idea, is take what's happening in the society and applying it to the Federal retirement system called Social Security. That's what we're talking about.

Ray Zamora—thank you very much for coming.

*Ms. Valdez.* Thank you. Thank you very much.

*The President.* I think—I hope that people get the picture: grandmom worried about granddaughter; granddaughter happy that grandmom is going to get the check, worried that she's going to see the check or whether she can afford paying into the system. And that's the dynamic, and that's the issue that this country must confront head on.

This isn't a political issue. This isn't Democrats trying to get ahead of Republicans or Republicans trying to get ahead of Democrats. If that's the spirit in Washington, nothing is going to get done. But I can assure you, people on this stage are trying to get that spirit out of the system. We're trying to elevate this debate and focus on what's right for the American people.

Ray Zamora is here, small-business owner.

*Raymond Zamora.* Thank you, Mr. President.

*The President.* Is that an accurate statement?

*Mr. Zamora.* Small-business owner.

*The President.* Good, yes. What's the name of it?

*Mr. Zamora.* My name is Ray Zamora. I'm married, have three children. I own a local construction company, Anchorbuilt. We currently employ 10 employees.

*The President.* Good. What do you do?

*Mr. Zamora.* We do—

*The President.* Build anchors? *[Laughter]*

*Mr. Zamora.* It's really where—the basis started with my wife. It's a long story.

*The President.* Okay.

*Mr. Zamora.* As far as the name goes, play on words. And we do mainly institutional construction and commercial.

*The President.* Good, good. Business all right?

*Mr. Zamora.* Business is very good in Albuquerque, New Mexico. It's booming.

*The President.* Yes, good. Do you realize—I hope you realize, folks, that most new jobs are created by small-business owners like Ray. Don't you like the idea of somebody sitting up here with the President and two Senators saying, "I own my own business"?

Go ahead.

*Mr. Zamora.* My biggest concern with Social Security right now is, as an employer we see both sides, paying out as an employer to the Social Security tax and also see the employee payout. And our biggest concern would be that taxes would increase, and that would have a negative impact on us as a small business.

*The President.* Yes, so he's hearing what Fidel just said. He's been studying the issue. He sees there's a cash deficiency, and he figures rightly that in order to make up for the cash deficiency, if we wait long, one of the options is going to be to run up his payroll tax, which not only affects

the worker but it affects the employer, particularly the small-business owner. Isn't that right?

*Mr. Zamora.* Yes, sir. It affects us. And I believe that with the Social Security growth potential that an employee would have, it would complement any 401(k) or any other investment opportunities that they would have. It would have a positive impact on them.

*The President.* Yes, we hear from small-business owners on this issue. You know, it's a pretty healthy chunk to put their part of the payroll tax—to pay the payroll tax for a small business. Ten employees, guy is making a good living, but taxes coming out, and it's a big, significant part of their contribution into the tax—to the kitty.

And so I hear from small-business owners saying, "Don't you think you better fix this thing now, before it's too late, just to make sure the contributions I made, the hard work that we've all done together and we've put it in the plan doesn't just go out the window?" Isn't that right?

*Mr. Zamora.* Yes, it is.

*The President.* I'm leading the witness here. *[Laughter]*

*Mr. Zamora.* Yes, it is.

*The President.* Not even a lawyer. *[Laughter]* Well, I appreciate you coming.

*Mr. Zamora.* Thank you, Mr. President.

*The President.* Honored you're here. Good luck in your business. Thanks for being a risktaker and an entrepreneur.

By the way, let me say something about entrepreneurs. I'm violating the Laura rule; I'm talking too much. *[Laughter]* But I think the salient points are—and I know they keep popping in my head; we'll find out how salient they are—in order for the entrepreneurial spirit to remain strong in America, public policy must encourage more savings. The more people save, the more capital is available; the more capital available, the more investment is available; and the more investment available, the more growth there will be; the more growth there will be, the more jobs there



will be. The idea of encouraging personal savings accounts will make more capital available to a system, and the entrepreneurial spirit will be stronger, not weaker. And that's another benefit of encouraging personal accounts.

Our final participant, Terri Walter.

*Terri Walter.* Yes.

*The President.* That's you. [*Laughter*]

*Ms. Walter.* That's my name.

*The President.* Thanks for coming.

*Ms. Walter.* You're welcome. Thank you for having me.

*The President.* She has the hardest job in America, being a single mom.

*Ms. Walter.* Single mother.

*The President.* Thanks for coming. Single mother to whom?

*Ms. Walter.* His name is Colin. He's 3. He'll be 4 next month.

*The President.* Great. Better than being 2, I guess, isn't it? [*Laughter*]

*Ms. Walter.* Maybe not.

*The President.* Maybe not—well, just wait for teenager. [*Laughter*] You are concerned about Social Security.

*Ms. Walter.* I am. I am—I will graduate next month with my master's degree as a physician assistant.

*The President.* Awesome, thank you. Congratulations.

[*Ms. Walter made further remarks.*]

*The President.* That's the spirit of personal accounts. That's the spirit of a single mom saying, "Can Government make it easier for me to do my duty, not only make sure that I can survive in the older years but, also, will I have an asset to pass on to Colin?" It's really what it's all about, isn't it, encouraging ownership and assets to pass on from one generation to the next.

Let me ask you something—401(k)—people know, of course, what that is, right—401(k), it's a common term now. Everybody understands what a 401(k) is. That wasn't always the case. It wasn't all that long ago that you said "401(k)" and people thought you were talking numbers and one

letter out of the alphabet and that's all it meant. Let me ask you something. When you first got your 401(k), was it hard to invest?

*Ms. Walter.* No, not a lot. There's a lot of guidance in it. You're given options between stocks and bonds and it's made very clear at the setup, at the beginning, and very little to do after that.

*The President.* You see, that's really important for people to understand. You hear this, you know, "Oh, maybe it's too hard for some in our society to invest." That's kind of the old attitude that only a certain kind of person can invest. "Maybe it's too difficult." It's not too difficult. Matter of fact, it's quite—it's made quite easy.

*Ms. Walter.* Yes, it is.

*The President.* And you get quarterly statements?

*Ms. Walter.* Absolutely. You can follow—that's the empowering part. You can see what you're doing with your money.

*The President.* Yes, how about that. Don't we want that throughout all society, the idea of people opening a quarterly statement? I can think of a couple of positive things when somebody opens up their own savings and says, "I want to see how my assets are doing." One is, it will cause you to pay attention to what Government is doing. All of a sudden, tax policy, spending policy, debt policy—all of a sudden it makes a lot more sense to you if the effects of Government affect your asset base. Secondly, I think it makes a lot of sense for people just to watch things grow. And we want that extended throughout our society.

I love the idea of Terri Walter saying to the President, "I'm comfortable about making investments." And that's what planners and policymakers in Washington must understand. This is an empowering idea. This enriches a person's life. This is a way to make the system work better for Terri Walter, who's got the hardest job in America, raising her son, Colin. And she just said in camera, "I'm not worried about making the investments; they make it quite

simple.” But what she doesn’t want, I presume, is her money not earning a rate of return that she can get like she’s getting in her 401(k).

*Ms. Walter.* Exactly.

*The President.* Yes, see, there we go. I hope people are listening carefully to this discussion and the dialog that’s taking place. We’ve got people from all aspects of our society sitting here on stage saying to those of us who have been charged with the responsibility of taking on tough problems, “Get after it now, before it’s too late.” And people are saying, “Trust us with our own money. Give us a chance to build up our own assets, earn a better rate of return,” so that when it comes time for younger Americans to retire, the retirement system works better for them.

The safety net works for our seniors. The safety net is in place for those who are receiving a check today; you have nothing to worry about. There’s a hole in the safety net for a generation to come. And our charge and our duty is to mend that hole in the safety net so that the American people will say, “Job well done. You did what we expected you to do and reformed Social Security for generations to come.”

Thanks for coming. God bless. God bless our country.

NOTE: The President spoke at 9:05 a.m. in the Kiva Auditorium. In his remarks, he referred to Robert C. Pozen, former member, President’s Commission to Strengthen Social Security.

## The President’s News Conference With President Vicente Fox of Mexico and Prime Minister Paul Martin of Canada in Waco, Texas *March 23, 2005*

*President Bush.* Thank you all for coming. It’s my honor to welcome two friends to Baylor University. First, I want to thank the Baylor University family for providing these facilities for us. Your hospitality is awesome.

I appreciate the meetings we just had. Our relationships are important today. We intend to keep our relationships strong. Our relationships will be equally important for the years to come.

And so we had a good discussion about prosperity and security. And it turns out the two go hand in hand. It’s important for us to work to make sure our countries are safe and secure, in order that our people can live in peace as well as our economies can grow. We’ve got a lot of trade with each other, and we intend to keep it that way. We’ve got a lot of crossings of the border. I intend to make our borders more secure and facilitate legal traffic.

We’ve got a lot to do. So we charged our ministers with the task of figuring out how best to keep this relationship—these relationships vibrant and strong. And I appreciate the commitment of the Prime Minister and the President toward a spirit of partnership to outlast whatever politics may occur; that puts in place a firm commitment to markets and democracy and freedom and trade and mutual prosperity and mutual security.

And so I want to welcome our friends. After we go through this exercise of democracy—that being answering your questions—I’m looking forward to hosting them to the ranch for a little lunch and a further discussion. We’ll be spending time talking about the neighborhood, the countries in our region, and how best we can work together to make sure that democracy is firmly a part of the future of this neighborhood of ours.