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Social Security Requires More Than Gridlock

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Last year's election brought significant change to the balance of power in Washington. Some say that Democratic majorities on Capitol Hill spell trouble for President Bush's policy agenda, especially Social Security reform. Thankfully, for the moment, neither Democratic leaders nor the president are reading that interpretation into the election results. Congressional leaders and the president both seem to understand that the overriding message from the electorate was that voters want an end to partisan bickering and they want results on the major issues facing the nation.

Here is a New Year's resolution for the Democratic Congress and the Bush White House: make bipartisanship on Social Security the order of the day.

Practically speaking, if either side wants to advance its agenda, they must now come to the table, and accept the fact that those on the other side of the table also have something to offer. That scenario does not guarantee that negotiations will lead to results. But it is a start.

Early signs from Congress are encouraging. Even though many Democrats — and their associated interest groups — attacked President Bush on the Social Security issue throughout the recent campaign, the rhetoric since the campaign has been more hopeful. Incoming Ways and Means Chairman Charlie Rangel has acknowledged that all ideas are on the table. In addition, he has begun planning for an all-committee retreat — Democrats and Republicans — to set an agenda and establish more bipartisanship in the workings of his committee.

Similarly, the new chairmen of the House and Senate budget committees — Rep. John Spratt of South Carolina and Sen. Kent Conrad of North Dakota — are known to be serious about entitlement reform. In addition, the incoming chairman of the Senate Finance Committee, Max Baucus of Montana, has a close and constructive working relationship with his ranking Republican, Iowa's Chuck Grassley, who continues to be a proponent of Social Security reform.

Finally, the Blue Dogs (fiscally conservative Democrats) will hold the balance of power in the House, while moderate Democrats also will be key players in the Senate, meaning that the majority party will need to keep an eye on the fiscal bottom line — and you cannot do that without addressing entitlements.

From the other end of Pennsylvania Avenue, there also are encouraging developments. The White House evidently has anointed Treasury Secretary Hank Paulson to take the lead on Social Security and other entitlement reforms. Paulson is knowledgeable and enthusiastic about this agenda. Additionally, he is a new face who is trusted by Democrats on the Hill, in no small part due to the fact that he (unlike other Bush Administration officials) did not campaign against Democrats in the recent election.

Paulson will be joined in this effort by Rob Portman, the President's new budget director, who left Capitol Hill several years ago with a solid and positive reputation among his Democratic colleagues. Like Paulson, Portman has the policy expertise and political skills to effectively negotiate with Capitol Hill.

Social Security reform always is a difficult issue. The options for reform are not pain-free. But an increasing number of Democratic legislators are coming to understand that delay is costly — and unwise. These Democrats may want to address the issue now so that it will not be on the plate of challenges

awaiting the next president (who they hope will be one of their own).

For his part, in his second term President Bush will be looking to his legacy. Clearly, a domestic policy success, such as securing and strengthening Social Security for coming generations, would nicely fit that bill.

Is this too hopeful a scenario? Maybe. There are lots of reasons to believe that Social Security reform is a stretch too far. Certainly, the president and Hill Democrats will need to find a way to work together on other issues early next year in order to set the stage for work on bigger issues such as Social Security. In addition, with a presidential campaign likely to begin in earnest in January of 2008, there may only be a 12-month window for Congress to act before politics once again gets in the way.

Still, baby boomers begin retiring in 2008. That means the entitlement fiscal crisis almost is upon us. History proves that Washington often dithers and dithers — but then can quickly take action to avert a crisis. Partisanship and gridlock on the truly important issues — like Social Security — is not what voters were endorsing when they voted for divided power in Washington. Now in the new year, President Bush and the Democratic Congress have an opportunity to show the American public that they can fix Social Security in a way that is fair to both current retirees and coming generations.

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