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WELL STREET JOURNAL, FRIDAY, DECEMBER 17, 1982

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# Who's Afraid of Social Security?

By ROBERT W. MERRY

WASHINGTON—In less than two years, Republican Sen. Pete Domenici faces the same New Mexico electorate that just discarded his GOP colleague, Sen. Harrison Schmitt. Worse for him, an important issue in Sen. Schmitt's defeat was the prospect of congressional tampering with Social Security benefits, and Sen. Domenici is identified with those favoring such tampering.

But unlike many of his Republican brethren, the chairman of the Senate Budget Committee isn't avoiding Social Security sniper fire by hiding out in the political underbrush. With the huge governmental pension system facing insolvency within a year or so, there's a need for straight talk, he says, adding: "The only way to win on that issue is to meet it head-on."

That, say Domenici aides, is precisely what the senator does when he goes home to New Mexico. "He stands up there before those senior-citizen groups, and he doesn't back down," says a top staffer. "He says, 'Look, this system is going bankrupt. Now under what I want to do, all of you will still get increases over time, but we'll just slow down the rate of increase so Social Security won't go bankrupt.' And they say, 'Okay.'"

That's the approach Sen. Domenici and a few other congressional Republicans want President Reagan to take. They want him to force the issue, pushing the political apparatus toward whatever seemingly unpopular steps are needed—including major cutbacks in benefit growth—to stave off insolvency.

But other Republicans consider such an approach foolhardy. Pointing to the political campaign just past, when Democrats battered their GOP opponents on the issue, these Republicans counsel caution. And some White House aides shudder at the very thought of their man touching the high-voltage issue. "It's damn tough to win on Social Security—or even address it," says an administration lobbyist. "I don't see how Reagan can win on it unless he can somehow prevent his being identified with it."

This tactical dilemma reflects a political reality dating back to Social Security's creation in 1935: When it comes to the government's huge retirement program, voters don't trust Republicans. From the GOP's initial 1930s skepticism to Barry Goldwater's politically disastrous 1964 pronouncements to the current president's fumbblings on the issue, Republicans grappling with Social Security have demonstrated an uncanny knack for self-inflicted wounds.

### Most Ominous Domestic Crisis

It isn't surprising that many Republicans now view the task of saving the system as akin to dismantling an unexploded bomb. And yet, as the country's governing party, they can't avoid leadership on what many consider the most ominous domestic crisis.

Social Security's benefit payments to 36 million Americans exceed its payroll-tax income. The program's three trust funds soon won't have enough to cover promised benefits. For the largest fund, which pays retirement and survivors' benefits, the crunch will hit next summer if nothing is done. A study commission estimates the three funds face a total deficit approaching \$200 billion through 1989.

What's more, many experts believe Social Security is in for an even greater crisis in the next century, when the large baby-boom generation retires and must be supported in retirement by relatively fewer workers. Over the next 73 years, the commission believes, the system needs \$1.6 trillion in net income or reduced benefits to survive.

With problems of such magnitude, most Republicans believe any solution must include major reductions in projected benefit levels. They particularly point to the automatic cost-of-living increases that go to recipients annually and the current high "replacement rate"—the percentage of a

*Every time Republicans on the Hill have persuaded the president to get out front' on Social Security, says a presidential aide, he ends up getting shot in the back.'*

worker's final year-salary that he gets in Social Security benefits in his first year of retirement.

But will retired Americans and those approaching retirement tolerate such changes? Won't they simply obliterate politicians advocating benefit cuts? Won't Democrats help in obliteration by attacking Republicans on the issue as they did in the recent campaign? Such questions haunt Republican politicians.

Many party members shy away from any bold moves that would give Democrats an opening for attack. They hope for a grand bipartisan agreement, worked out in some back room, to diminish the political risk. Barring that, they want House Democrats to take the lead on the issue—even though they fear the Democratic solution will be unacceptably top-heavy with payroll-tax increases.

"There's just a real reluctance to go ahead and go out all by ourselves proposing what needs to be done," says the administration lobbyist. "We're a bit gun-shy after getting shot in the head so many times."

Indeed, the president has taken his lumps on Social Security the past two years. First, in the spring of 1981 he proposed a comprehensive solution that included drastic curtailments in early-retirement benefits. Congress rose up in indignation, with the Republican-led Senate passing, 96-to-0, a slap-in-the-face resolution against the idea.

A year later, Senate Republicans prevailed on Mr. Reagan to accept a budget "plug" item assuming \$40 billion in some combination of Social Security cuts and tax increases to be worked out later. Democrats attacked the idea, Republicans retreated, and the president found himself politically exposed on the issue again. "Every time Republicans on the Hill have persuaded the president to get out front," says a presidential aide, "he ends up getting shot in the back."

Thus there's strong sentiment at the White House and among many congressional Republicans to "Let nature take its course for a while," as Colorado's GOP Sen. William Armstrong puts it. He adds,

"There's not much to be gained by getting too far out front."

But there's another view, the Domenici view, shared by others in both the House and Senate. This holds that there are two battlegrounds. The first is the benefit issue. Nobody wants benefits, or even benefit growth, cut. At mere mention of the idea, people on Social Security tremble with fears of losing significant portions of their often-modest subsistence.

On this ground, Republicans always lose, as Barry Goldwater did 18 years ago and Ronald Reagan did last year. Many voters, it seems, suspect Republicans aren't really committed to the system.

### No Easy Ways to Save System

But another battleground is the issue of solvency. Many Republicans, assessing the potential political force behind the idea of Social Security bankruptcy, believe they can win a battle fought on this ground. But getting to the solvency issue from the benefit issue requires a very forceful drive—under fire by opponents—designed to convey to the people just how serious the problem is—and how committed Republicans are to saving the system.

And who can better convey this to the people, these Republicans ask, than their own telegenic, septuagenarian leader? "I think this president can sell ice cubes to Alaskans," says Sen. Domenici's top budget aide, Steve Bell. "And he can sell a Social Security solution to the old folks. But he has to use the bully pulpit."

Sen. Domenici says he detects in elderly voters a willingness to sacrifice a bit to help younger generations, who also are struggling with economic hardships and who worry about their own benefits at retirement time. After all, he notes, those are their grandchildren. Rep. Henson Moore, a Louisiana Republican, adds, "A lot of elderly people back home aren't as shook up over the issue as a lot of people have been saying."

These Republicans believe there's only one way to move beyond a stopgap solution to a genuine one. That is to convince voters that their party represents Social Security solvency and guaranteed benefit payments to everyone in the system, retiree and payroll-taxpayers alike.

Besides, adds Mr. Bell, it's the only way for Republicans to escape the defensive posture on the issue that they have been locked into the past 47 years. "If we stay on the defensive," he says, "the Democrats will continue lobbing mortar shells on top of us, and we won't survive."

It's unclear whether the president will adopt the bold Domenici approach or fall back to the more cautious tack advocated by many of his aides. A top presidential adviser says debates on tactics are going at the White House, and it's anybody's guess who will eventually prevail.

As decision time approaches, it's clear that either approach carries great political risk. With the cautious approach, there's the risk of getting backed once again into that defensive corner. With the bold approach, there's the risk of stirring up passions and contributing to deadlock. But then, as everyone knows by now, there aren't any easy ways to save Social Security.

Mr. Merry, a member of the Journal's Washington bureau, covers Social Security legislation.

## Loading Up Santa's Sleigh With Home Computers

By PHILIP REVZIN

This year the recession-resistant Santa

What to do? Peter A. McWilliams offers two books that can help. "The Personal

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