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## President Remains Eager to Cut Entitlement Spending

By Michael Abramowitz

Washington Post Staff Writer

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The Bush administration has begun sounding out lawmakers and other key figures about mounting a new bipartisan effort to rein in the costs of Medicare, Medicaid and Social Security after the midterm elections, according to officials in the administration and on Capitol Hill.

No specific plan has been advanced, and administration officials are proceeding gingerly given the political debacle that beset the White House last year when President Bush promoted a plan to create private accounts in the Social Security program. But they have been sending strong signals in recent weeks that they want to try something again after the elections in November.

The new Treasury secretary, former Goldman Sachs chief Henry M. Paulson Jr., has made it clear that a major reason he took the job is to tackle the rising cost of government health and Social Security spending, which he described last week as "the biggest economic issue facing our country."

In his first major policy address since being sworn in July 10, Paulson noted that he has been told

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by many in Washington that "reform of entitlement programs is just too difficult to achieve" and that politicians will "demagogue" the issue. He said he believes that "when there is a big problem that needs fixing, you should run toward it."

Bush, for his part, appears fixated on the issue, even as he is focused on securing new immigration legislation and preoccupied by several world crises. Despite being forced to shelve his Social Security plan -- which included establishing private investment accounts and reducing guaranteed benefits down the road -- Bush regularly mentions his desire to tackle the issue again.

"We need to cut entitlement spending," the president said in one typical comment last month, as he reviewed the midyear budget numbers. "The easy fix is to say 'Let somebody else deal with it.' This administration is going to continue trying to work with Congress to deal with these issues."

Fulfilling this pledge is a tall order and, even in the view of some of Bush's strongest supporters, beyond the capacity of a politically weakened administration facing the prospect of serious losses in the fall elections. Democrats appear eager to use the issue as a political cudgel for the time being;

Paulson's comments triggered a new round of accusations that Bush plans to "privatize" Social Security.

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Grover Norquist, a leading GOP strategist, said he can envision no circumstance in which Bush could secure any overhaul of the Social Security program, including creating personal accounts. "The Democrats cannot be bribed, cajoled or threatened into voting for Social Security reform -- it can't happen," he said.

But some administration officials and lawmakers are hopeful that the partisan wars may recede after the November balloting, that the public is eager for practical solutions -- and that there could be a small window to try again before the 2008 presidential campaign reaches full bloom. "It's a limited opportunity, but it's one that [Bush] is interested in," said [Sen. Judd Gregg](#) (R-N.H.), chairman of the Budget Committee. "I have spoken to him innumerable times about this, and he's engaged. . . . He wants to move in this area."

Just how to do so is what White House officials are pondering. In his last State of the Union speech, Bush discussed his desire to create a bipartisan entitlements commission to explore the issue. A previous Bush commission was limited by design to proponents of private accounts and was broadly dismissed by most Democrats. The administration floated the idea of another bipartisan panel, with a broader mandate, but found no takers in the opposition party.

Now Paulson and others -- including Office of Management and Budget Director Rob Portman, a former lawmaker with extensive ties on Capitol Hill -- are looking for an alternative approach. White House counselor Dan Bartlett said the president has made it clear he wants to "openly engage at the appropriate time Republicans and Democrats on Capitol Hill." Bartlett said, "Those conversations are quietly under way."

"We know that there's not going to be a full-fledged debate 90 days before the election," he said. But he added: "The president believes that maybe as he leaves office, that would diminish the threat [Democrats] feel from dealing with this issue. Hopefully we can find a consensus."

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