

Home

About Us/Help | Archive | Subscribe | Feedback | Text Edition | Search:

Subscribe Today: Get 63 issues of the Monitor for just \$27.

Learn about the Monitor's Treeless Edition

click here

Try the Monitor's Treeless Edition® and get 21 Free Issues!



Domestic Politics

Economy

Foreign Policy

Justice

Military

Society & Culture

Also see:

Iraq in Transition

Living > Religion & Ethics

The Monitor Breakfast

Excerpts from discussions between reporters and Washington newsmakers.

BLOG COOK'S CAPITOL

USA Stories:

for 06/23/2005

Battle readies over Rehnquist's seat

A new show of support for Iraq

Cities adopt tough stance against beggars

Mississippi verdict greeted by a generation gap

Gender gap tilts back toward the Democrats

USA > Domestic Politics

from the June 21, 2005 edition

Social Security may be just the beginning

House power broker Bill Thomas leads a nascent effort to resolve pension and other retirement issues in one bill.

By [Gail Russell Chaddock](#) | Staff writer of *The Christian Science Monitor*

WASHINGTON — If Social Security reform appears too tough an assignment for the 109th Congress, Rep. Bill Thomas has an answer: Take on all the other issues of an aging society at the same time - and do it this year.

Brazen, yes. The Californian's gambit comes at a time when President Bush has been straining to keep alive his goal of creating private accounts in Social Security.

But the effort stems from one of the House's most creative (and famously irascible) lawmakers - one whose record at the top of the House Ways and Means committee includes big tax cuts every year of the Bush presidency. And others on Capitol Hill, including some Democrats, are pursuing a similarly broad course.

It's not a plan, yet. But the logic is this: Not just Social Security, but also private pensions, personal savings, and Medicare appear financially weak relative to the looming demands of a baby boom generation. And government rules, Mr. Thomas argues, are poorly



WAYS-AND-MEANS CHAIRMAN: Thomas urges new incentives to save, new ways to inherit savings. MANUEL BALCE CENETA/AP

SUPPORT THE MONITOR

→ [Help the Monitor](#). [Donate now](#) to support independent journalism.

SUBSCRIBE

→ [Free sample issue](#)

ADVERTISEMENT

Apparel

[Buy Shoes](#)

Business Resources

[Search Engine Optimization, Inc.](#)

Financial

[4 Free Mortgage Quotes](#)
[Car Insurance](#)
[Cheap Car Insurance](#)

Gifts

[Engagement Rings](#)
[Italian Charms Sale!](#)
[Send Flowers - Florists](#)

Graphic Design

[Pulled up by the banjo strings](#)

[Adoptions from Russia face a chill](#)

.....
XML [What is this?](#)

SPECIAL PROJECTS



[Western energy boom](#)



[Lost in Iraq: Faces of the fallen](#)



[Empire Builders](#)



[Decision2004](#)



[Defining Terrorism](#)



[Amtrak: All Aboard?](#)

[more projects...](#)

Most-viewed stories:

(for 06/22/05)

06/23/05

[Mississippi verdict greeted by a generation gap](#)

06/22/05

[Bush faces hard choices over Bolton](#)

06/22/05

[New battle in the wars over tenure](#)

06/23/05

[A new show of support for Iraq](#)

06/21/05

[What the 'Downing Street' memos show](#)

adapted to the mobility of a 21st century workforce.

The elements of possible legislation could include everything from new vehicles for retirement savings - including hybrid annuities that could convert to long-term care packages or be inherited - to new funding streams for retirees beyond the payroll tax, which he dubs "a job-killer." "We're just exploring opportunities that maximize incentives for people to think about new products," Thomas says.

"If he succeeds, this will be regarded as one of the most brilliant legislative strokes ever. It all depends on whether his fellow legislators want a solution or to reach a deal on many of these items. Many of them do not," says Larry Sabato, a political scientist at the University of Virginia.

The idea of expanding the scope of the Social Security discussion is gaining supporters on Capitol Hill. Today, GOP lawmakers are proposing a plan to fund personal retirement accounts out of the Social Security surplus that Congress and the White House spend every year on other programs. Last year, that surplus amounted to some \$150 billion.

"We all see this as a first step toward a more comprehensive solution," says Sen. Jim DeMint (R) of South Carolina, a cosponsor of the measure.

For Democrats, defense of the New Deal legacy on Social Security is emerging as a top election issue for 2006. "Until President Bush takes private accounts off the table, we're not talking," says Jim Manley, the top Democratic spokesman in the Senate.

But, while not breaking ranks with the party line, other Democrats are beginning discussions with Republicans to break a stalemate. Sen. Kent Conrad (D) of North Dakota says that he and two senior Republican senators are close to forming a working group that takes a more comprehensive approach to seniors' needs.

In a private meeting at the White House last month, Senator Conrad said that he told President Bush that the only way to gain momentum on Social Security is to broaden the discussion to include shortfalls in Medicare, federal pension guarantees, and the budget that will

In the Monitor

Thursday, 06/23/05

[Battle readies over Rehnquist's seat](#)

[Adoptions from Russia face a chill](#)

[Cities adopt tough stance against beggars](#)

[Mississippi verdict greeted by a generation gap](#)

[Pulled up by the banjo strings](#)

Read these and the rest of the Monitor's headlines by e-mail. [Subscribe for free.](#)

.....

[E-mail this story](#)

[Write a letter to the Editor](#)

[Printer-friendly version](#)

[Permission to reprint/republish](#)

[Logo Design - LogoBee](#)

Home & Garden

[Discount Home Furniture](#)

[Find Great Furniture](#)

Legal Services

[Find A Lawyer](#)

Real Estate

[Home Foreclosures](#)

[Moving](#)

[Moving Companies](#)

[Mortgage](#)

[Mortgage Calculator](#)

[Real Estate](#)

Services

[Weddings](#)

Travel

[City Hotels](#)

[Discount Hotel Rooms](#)

[Hotels](#)

[Hotel Reviews](#)

Web Services

[Cheap Web Hosting](#)

[Web Hosting](#)

[Web Hosting Reviews](#)

[Web Site Promotion](#)

MONITOR ARCHIVE

[Purchase articles](#) for as little as 15 cents each.

TREELESS EDITION®

[Subscribe](#) to the Treeless Edition!

dramatically increase with the baby boomers start to retire this decade.

"You can't solve this with only one piece of the puzzle. There needs to be much more at play, including private pensions. What gives a sense of urgency is when you put the whole picture in front of the public," he says.

With the first of the baby boomers eligible for retirement in 2008, Congress is poised to shift more than half of the federal budget to retirees, up from 42 percent today. Less than 40 percent of Americans have an individual retirement account or 401(k) plan.

The last time Congress engaged the issue of Social Security was in 1983, when Washington was only months away from running out of money to make payments to retirees. It was a full-blown crisis, acknowledged by all. Lawmakers raised the retirement age and increased payroll taxes in a bid to front-load the system. But in subsequent years, Congress routinely spent that surplus on other programs.


For lawmakers like Thomas, who served on the panel at that time, the lesson for today's Congress is to act before the next crisis - and take a longer view. "We're already engaged in the greatest intergenerational transfer of wealth in the history of the world. And ... it's entirely appropriate to examine the question of who gets what, when, and how," he said last month.

In a joint briefing with Thomas earlier this month, Rep. John Boehner (R) of Ohio, the chairman of the Education and the Workforce Committee, said that his panel's pension-overhaul bill could be wrapped into Thomas's broader reform. Congressman Boehner says he hasn't seen the plan or discussed it with Thomas. But he says that Thomas "deserves a shot at bringing this package together."

The ranking Democrat on the Ways and Means panel says he hasn't been privy to the Thomas plan, either. "Thomas keeps his cards pretty close to his vest. He wants to wrap it up with so many incentives that it can carry [changes to] Social Security," says Rep. Charles Rangel (D) of New York.

[Subscribe Today: Get 63 issues of the Monitor for just \\$27](#)

Links of interest

- [What the 'Downing Street' memos show: an explainer](#)
- [Slideshow: Saving turtles and salmon](#) 
- Get [book reviews by e-mail](#) or the latest on [Terrorism & Security](#) or [more topics](#).

E-mail Alerts

- [Environment](#)
- [Politics](#)
- [Ethics](#)
- [More topics...](#)

Sign up now:



Monitor Store



**Get
32 issues
FREE**



**Subscribe
to the
Monitor
at the
special
low rate
of just
43¢
an issue**

Subscribe

Most-viewed stories (for 06/22)

- [Mississippi verdict greeted by a generation gap](#) (06/23/05)
- [Bush faces hard choices over Bolton](#) (06/22/05)
- [New battle in the wars over tenure](#) (06/22/05)
- [A new show of support for Iraq](#) (06/23/05)
- [What the 'Downing Street' memos show](#) (06/21/05)



E-mail this story



Write a letter to the Editor



Printer-friendly version



Permission to reprint/republish

[back to top](#)

[Subscribe Here](#)



[Click Here](#)

[Home](#) | [About Us/Help](#) | [Feedback](#) | [Subscribe](#) | [Archive](#) | [Print Edition](#) | [Site Map](#) | [RSS](#) | [Special Projects](#) | [Corrections](#)
[Contact Us](#) | [Privacy Policy](#) | [Rights & Permissions](#) | [Advertise With Us](#) | [Today's Article on Christian Science](#) | [Web Directory](#)

www.csmonitor.com | Copyright © 2005 The Christian Science Monitor. All rights reserved.