

## **Congressional Closeup** by Carl Osgood

### **Social Security reform debate gets under way**

All Congressional participants at the White House Conference on Social Security on Dec. 8 and 9, agreed in principle that raising taxes and/or cutting benefits are not viable approaches to strengthening the Social Security system beyond 2032, the projected date when the trust fund will be depleted by retiring baby boomers. That leaves some form of "increasing the return on investment," as the main issue being debated.

President Clinton told the meeting that whatever reform plan is agreed to, it must "maintain universality and fairness," and provide a system that "can be counted on regardless of the ups and downs of the economy or the markets."

Republicans are lobbying heavily for personal savings accounts which would put some part of the payroll tax, as much as two or three percentage points, into the financial markets. Sen. Rick Santorum (R-Pa.) said this would "give people the opportunity to have wealth and create wealth and to preserve their own Social Security by growing that pot of money that we now send to Washington."

While not speaking specifically against personal savings accounts, House Ways and Means Committee Chairman Bill Archer (R-Tex.) told reporters the day before the conference that putting any part of the trust fund into the financial markets "involves significant risk, and if the market declines and those trust fund dollars go down, it will compound the difficulty in saving the Social Security Trust Fund." He also expressed concern about corporate governance, should the government become a large stockholder of major corporations as a result of such investment of the trust fund. However, no one discussed the near-term threat of the global financial crisis

and the impact that that will have on Social Security.

### **GOP discusses changes for 106th Congress**

Prior to the resignation of Speaker-elect Bob Livingston (R-La.) on Dec. 19, he had set into motion a discussion of administrative changes in the House of Representatives, including a switch to a five-day work week. Under Speaker Newt Gingrich (R-Ga.), the House typically worked a Tuesday through Thursday legislative week, a schedule which drew fire from Democrats, who complained that the Republicans were trying to do as little work as possible. While some Republicans have complained that a five-day week leaves less time for constituent work and for their families, others, such as John Shimkus (Ill.) and Jo Ann Emerson (Mo.), view it as a commitment by the leadership to get the House's work done, including finishing a budget resolution in 1999.

Livingston also sought to reorganize the leadership, devolving power back to the committee chairmen, in contrast to Gingrich's propensity to form task forces to write legislation.

On the Democratic side, Minority Leader Richard Gephardt (Mo.) accepted an offer from Livingston for 11 new committee seats (the total number of seats was expanded by 15), as against four for the Republicans, a net gain of seven across all committees. The Democrats filled their seats at a Dec. 11 caucus meeting; however, the meeting reportedly turned acrimonious when John Murtha (D-Pa.), a senior member of the Appropriations Committee, became angry because a seat he thought was promised to the Pennsylvania delegation did not materialize. Murtha reportedly threatened

to resign from the Democratic Steering Committee.

### **GOP, Dems elect Senate leaders**

The Senate Republican Caucus affirmed its leaders on Dec. 1, without the turbulence and bloodletting that characterized the House GOP deliberations after the Nov. 3 elections. All of the Senate GOP officers, with the exception of Mitch McConnell (Ky.), the chair of the National Republican Campaign Committee, were re-elected by acclamation. Chuck Hagel (Neb.), who complained that Senate GOP campaigns lacked a positive message, challenged McConnell, but was defeated by a vote of 39-13. Majority Whip Don Nickles (Okla.) was reported to have quietly supported Hagel, who was asked by Majority Leader Trent Lott (Miss.) not to run, thereby possibly sowing seeds for future conflict with Lott.

Lott told reporters after the caucus that he is committed to Congress getting its work done, "including passing a budget, passing appropriations bills," which the 105th Congress failed to do. He promised that this would include cooperating with Democrats, which also was absent in the last Congress.

The Democrats approved all of their leaders by acclamation. Harry Reid (Nev.) was picked to replace the retiring Wendell Ford (Ky.) as Democratic Whip, and Bob Torricelli (N.J.) will take over as head of the Democratic Senate Campaign Committee.

Minority Leader Tom Daschle (S.D.) told reporters that he was "delighted" to hear that Lott intends to work with the Democrats. He said that he thought the outcome of the election will result in better cooperation between the parties.