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House Conservatives Want Bush's Pension Plan to Go Further

By DAVID D. KIRKPATRICK and CARL HULSE

BALTIMORE, Feb. 4 - Conservatives in the House of Representatives put down their marker in the battle over changing Social Security on Friday, calling for larger individual accounts than President Bush has proposed and promising to fight any tax increases to pay for the benefits to the growing number of retirees.

At a retreat here attended by more than 50 representatives in the conservative House Republican Study Committee, its chairman, Representative Mike Pence of Indiana said the members' objections to new or increased taxes to pay for the president's plan was deafening. Mr. Pence said the group also called for allowing workers to set aside 6 percent, instead of the president's proposed 4 percent, of their wages, roughly all of their Social Security payroll tax, for individual accounts.

Many of the group's members support a proposal by Senator John E. Sununu, Republican of New Hampshire, and Representative Paul D. Ryan, Republican of Wisconsin.

Beyond endorsing those proposals, they said they wanted to use the debate as a wedge to achieve their long-held goal of shrinking the size of government.

"So seldom it seems to me do these windows of opportunity to really recast government come along," Representative Bob Beauprez, Republican of Colorado, said.

Several members noted that Congress has for decades helped finance general spending by borrowing from the surplus in the Social Security trust fund, money generated by revenues from workers' payroll taxes that exceeded the cost of paying retirees' benefits.

"Government took the money out of the Social Security surplus," Representative Jeb Hensarling, Republican of Texas, said. "The government ought to give the money back, and the way to do that is to moderate the growth of government. We all hate the deficit. But the deficit is the symptom. Spending is the disease."

As Senator Tom Coburn, Republican of Oklahoma, said just after the president's State of the Union address: "I am not going to be able to put my finger in the dike and stop this place from spending the money. I want personal accounts because I want to take the money away from here so people can't have it."

The president has faced strong opposition from Democrats and concerns among Republicans, who have begun offering alternatives on some provisions. Asked about the conservatives' announcement, a spokesman for the White House, Trent Duffy, said, "The president welcomes comments from members of Congress about how to fix Social Security, as opposed to those who want to ignore the problem and leave our children and grandchildren empty handed."

By White House calculations, the president's plan would require more than \$750 billion in new government spending between now and 2015 to cover payments to retirees and trillions more after that.

Without raising taxes, the plan could involve difficult options like cutting guaranteed benefits, borrowing significant sums, or - the conservatives' favorite - shrinking the government. To avoid those tough alternatives, other Congressional Republicans have proposed raising the current cap on the payroll tax or potentially adding other fees like a value added tax.

Senator Lindsey Graham, Republican of South Carolina, has proposed paying raising the limit on wages subject to the payroll tax, from its cap at \$90,000. Such a change could cover the projected shortfall in the trust fund by raising taxes for about 6 percent of taxpayers.

In a veiled reference to Mr. Bush's Medicare drug plan enacted last year, Mr. Pence said the conservative caucus did not want Mr. Bush's proposed "reform" to end up as "an enormous increase in the program."

Several House conservatives have privately said Mr. Bush misled them about the costs of that plan, which exceeded the administration's public projections.

Mr. Pence said the conservatives also planned to call for the individual accounts to be available to young workers immediately or as soon as possible. Mr. Bush had proposed making the first accounts available in 2009, deferring the financial burden of the transition.

The caucus members hastened to add that they, too, wanted to maintain current benefits for current retirees older than 55, just as Mr. Bush has promised.

If Congress could not finance the cost of paying benefits in the transition to private accounts by reducing other government spending, Mr. Pence said, the House conservatives would prefer borrowing to raising taxes.

"We are willing to pay it forward, to borrow money to make it happen," he said.

Any borrowing would eventually have to be paid, ultimately meeting the same goal of covering the costs out of other government revenue.

David D. Kirkpatrick reported from Baltimore for this article, and Carl Hulse from Washington.