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## Graham Fills Social Security Void With a Plan Bound to Irk All Sides

### GOP Senator Is a Surprise Leader On Thorny Issue

By *Charles Babington*  
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CHARLESTON, S.C. -- Sen. Lindsey O. Graham makes no apology for elbowing his way to the front of the Social Security debate, arguing for significant tax increases and benefit cuts to salvage a program whose long-term solvency, he says, requires nothing less.

It's a chancy, even audacious, move for a politician with only two years in the seniority-driven Senate. But the South Carolina Republican says his journey from his parents' hardscrabble pool hall to the halls of Congress has perfectly positioned him to confront liberals and conservatives with tough realities.

In a chamber full of millionaires, he talks movingly of how Social Security once sustained his family. Surrounded by Democrats who refuse to trim benefits -- and Republicans who refuse to raise taxes -- he tells both sides they must compromise to safeguard a vital program. The public, he likes to say, will reward courage and leadership, although many of his colleagues remain dubious.

"People in my business are afraid of voters," Graham told a civic group lunching recently in this coastal city. "If I get afraid to tell you the truth, then I need to quit."

Graham, 49, is struggling to win fellow lawmakers to his side, but rival proposals for Social Security are faring no better or worse. They have received less attention than his plan, and many rely on heavy government borrowing, which Graham derides as a "free-lunch" cop-out.

With congressional leaders and committee chairmen adopting a wait-and-see strategy, Graham has stepped into the void, landing on TV talk shows and magazine covers, and creating buzz in Capitol corridors. It's a big step for a small-town southern lawyer who first gained prominence at Bill Clinton's impeachment trial, where he burnished an image as a prosecutor who was more level-headed than most, but tough and partisan all the same.

Now, making maximum use of his folksy demeanor and ample ambition, he is staking his legislative fortunes to a politically painful plan that he insists he can sell to Congress and the American people. After all, he has a special weapon he deploys in every interview and speech: the story of a sister in need.

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(Gerald Herbert -- AP)

## Help for an Orphaned Teen

Whether his audience is black college students, Republican activists or the Charleston Exchange Club's varied membership, Graham starts his pitch on Social Security the same way. "When I was 21, my mom died," he begins. "She was 52." His father died the following year at age 69, he continues, leaving little but the family's liquor store/pool hall. ("Everything I know about politics I learned there," he says).

Also left behind was Graham's 13-year-old sister, who moved in with an aunt and uncle living on modest wages from a textile mill. Over the next decade, Social Security survivor benefits helped feed, clothe and educate her. Graham helped support his sister once his law career got started, and he became her legal guardian. The Social Security benefits, he tells every audience, "made a world of difference to my family."

His account resonates with many listeners, some of whom have similar tales. "My dad died when I was 19," Charleston real estate agent Ruthie Smythe said in an interview after Graham spoke at a dinner for GOP activists. "I got survivor benefits until I was 22. They helped me go to college." She said she would be willing to pay higher taxes for Social Security "if it will work, if it will begin the change."

Graham uses his sister's story to inoculate himself against attacks from the left and right. "To my Democratic friends: Don't lecture me about Social Security," he told the Charleston GOP audience. "I know as much about it as anybody."

Then, turning to suggestions that entitlement programs are too costly, he said: "This idea that the Republican Party is made up of a bunch of rich people who don't care about poor people is a bunch of junk."

## The Graham Plan

Graham's plan would raise Social Security taxes for high-income earners, and reduce their eventual retirement benefits. It would hold low-income Americans harmless.

Workers now pay a 6.2 percent tax (matched by their employers) on their first \$90,000 in annual wages. Graham would raise that cap to \$160,000, costing high-wage earners an extra \$4,340 a year. They should accept the burden, he says, "with the whole idea that you're helping people less fortunate than you."

Increases in Social Security's retirement benefits, meanwhile, have long been tied to wages, which rise faster than prices. Graham would leave that system intact for people earning less than \$30,000 a year. Higher-income retirees would have growth in benefits tied to inflation, which would shrink senior citizens' checks by billions of dollars.

Graham supports President Bush's call for individual accounts, but he says they should not be the focus of reform efforts. Such accounts would allow workers to divert some of their payroll taxes into stocks-and-bond portfolios that would follow them into retirement. The higher cap on taxable earnings would replace the diverted money, although Graham said he would consider "other revenue streams."

"The plan I've got will work," he recently told a packed classroom of students and faculty at Allen University, a historically black school in Columbia, but he acknowledged it also is going to infuriate everybody to some extent.

That's a safe bet. Dozens of conservative activists and lawmakers adamantly oppose higher taxes for Social Security. And congressional Democrats almost uniformly oppose benefit reductions.

In fact, Graham finds resistance in his back yard. "I've encouraged Republicans not to talk about tax increases or benefit cuts until Democrats put forth their ideas," said newly elected Sen. Jim DeMint (R-S.C.) after sharing the stage with Graham at the GOP dinner in Charleston. "I appreciate Lindsey testing the waters."

South Carolina Gov. Mark Sanford (R), a Graham friend and fellow member of the 1994 freshman House class, says the senator risks a possible challenge within his party if he pushes tax increases too hard.

"If you come from a rural state that is as conservative as ours, I think you've always got to watch, in political terms, your flank," Sanford said. "You can't lose sight of how important lowering -- not raising -- taxes is."

The free-market group Club for Growth, meanwhile, is running TV ads in South Carolina attacking Graham for proposing tax increases. But the senator appears unworried. When Franklin D. Roosevelt created Social Security, he proved that "a forceful idea during anxious times puts you on the political map forever," Graham says. "These are anxious times. Those of us with forceful ideas will be rewarded by the public."

## Filling a Political Vacuum

While his sister lived with their aunt and uncle, Graham earned bachelor's and law degrees at the University of South Carolina. He became an active-duty lawyer in the Air Force, then entered politics and won a state House seat in 1992. Two years later, he won an open U.S. House race, joining a vanguard of conservatives who handed control of the chamber to Republicans and their firebrand leader, Newt Gingrich.

In 2000, Graham backed Sen. John McCain (R-Ariz.) over George W. Bush in the bitterly fought South Carolina GOP presidential primary, and McCain remains a key role model. When Strom Thurmond retired from the Senate in 2002 at age 100, Graham easily claimed the GOP nomination. He won the general election comfortably, in part by hammering the Democratic nominee's opposition to a constitutional amendment banning the desecration of the American flag.

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Ordinarily it would be folly for a two-year senator to claim a leadership role in an issue as weighty as Social Security. But Graham makes a plausible case for the title by focusing his lawyer's intellect and aw-shucks manner on a subject his colleagues have largely skirted: the unpleasant options of raising taxes, cutting benefits, borrowing heavily or leaving unaddressed Social Security's long-term solvency problems.

Graham expresses surprise that most freshman senators wait patiently for a turn in the spotlight, and that senior lawmakers often dabble at the margins of big issues. "The Senate is there for the taking," he says. He predicts that, eventually, a few Democrats will embrace his plan because voters will not tolerate a do-nothing stance. Once that happens, he says, Republicans will follow.

Graham says he lost his political shyness in 1997 when he helped lead an unsuccessful coup against Gingrich, his former mentor, and then publicly acknowledged his role. His actions did him no harm, in Washington or back home, he says.

"They try to intimidate you to be quiet," Graham says of congressional leaders and outside pressure groups. But an episode such as the Gingrich affair "emboldens you to speak your mind, and you lose your fear."

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