Clinton Considering Curbs on Social Security COLAs

By Steven Mufson
WASHINGTON

President Clinton is considering limiting cost-of-living increases for the nation's 41 million Social Secu-
ritv recipients, a White House spokesman said Thursday, provok-
ing sharp criticism from senior cit-
et groups and a key Democratic
senator. Such limits could save the feder-
tal government billions of dollars a year, but would tighten the belt of senior citizens, many of whom rely on their Social Security checks, which average $653 a month, to make ends meet.

"It's one of the issues that's being discussed," White House Communications Director George
Stephanopoulos said Thursday. "We haven't made any final decision yet."

And Alice M. Rivlin, deputy Office of Management and Budget
director, told a meeting at the National Academy of Social Insur-
ance, that a change in Social Secu-
rity, one of the most politically sacred programs, has not been altered in a major way in a
decade.

But Thursday was the second time Clinton and his aides have hinted at possible changes in the
$302.2 billion program.

Last month in an interview with the Wall Street Journal, Clinton said he would consider accelerating an
existing plan for increasing the retirement age to 67 years from 65.

In addition, Clinton aides have said they are considering taxing a
bigger portion of Social Security benefits, half of which are currently exempt from taxes.

During a Sept. 1 campaign stop in Macon, Ga., Clinton declared: "We don't need to tamper with Social Security. . . . We're not going to fool with Social Security. It's solid. It's secure. It's sound. And I'm going to keep it that way."

Social Security recipients have received an automatic cost-of-living adjustment, or COLA, every year since 1975.

The government could save about $10 billion in 1994 if Clinton were to eliminate the next cost-of-
living adjustment, which the Social Security Administration estimates will be 3.2 percent.

The adjustments, made in early January, are based on the consumer price inflation. The current average benefit of $653 a month reflects a recent change for 3 percent from 1992.

Budget savings would grow big-
ger in later years because future
U.S. Reviews Deteriorating Situation in Balkans

The Clinton administration began its formal consideration of the deteriorating situation in
the Balkans Thursday after receiving a
grim report that relief supplies are falling far short of minimum
requirements in Bosnia.

She said, "There are lots of ways of doing it. I'm not saying it's going to happen, but it certainly is being talked about."

Their comments were the latest efforts by Clinton aides to keep the administration's options open with-
out revealing the contents of the budget package they plan to submit to Congress next month.

Yet by refusing to rule out any measure that might trim the federal budget deficit, the administration has raised worries among groups
that would be hardest hit by possible
tax increases or spending cuts.

Steinopoulos would not dis-
cuss any specific proposal, but said, "we'll make sure that any plan that we have is both fair and solve the
problems of putting growth in the econ-
omy and achieving deficit reduc-
tion."

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Many leading members of Con-
gress vocally oppose changes in Social Security because the coun-
try's senior citizens represent such a large and powerful voting bloc.

In addition, many argue that the Social Security is an insurance pro-
gram and should be kept separate from the rest of the budget.

Though the Congressional Bud-
get Office expects the federal gov-
ernment to run a $310 billion budget deficit during the current fiscal year, the Social Security program will run a surplus of $53 billion.