

Philly Deals: Social Security activist appeals to Philly millionaires



By Joseph N. DiStefano

David Walker, who warned Congress against spending more money than it collects from U.S. taxpayers while he headed the Government Accountability Office under Presidents **Bill Clinton** and **George W. Bush**, is in Philadelphia this week on a national tour pushing new restrictions on Social Security and Medicare eligibility, and higher payroll taxes, at least for the rich.

He's asking support from influential Philadelphians who don't personally need federal checks. As president of the **Peter G. Peterson Foundation**, endowed by the billionaire **Blackstone Group L.P.** investment manager, Walker was guest of honor Wednesday night at tech investor **Thomas Gravina's** Haverford home, where local invitees included real estate mogul **Ira Lubert** of \$12 billion-asset **Independence Capital Partners**, bond and casino investor **Michael Forman**, and **McDonald's** meat-supplier-turned-philanthropist **Herbert Lotman**.

Walker was also scheduled to address Thursday morning's gathering of the Philadelphia chapter of the **Association for Corporate Growth**, the venture capitalists' lobby, atop the **Verizon** tower.

His group is soliciting a wider audience for a June 26 town-hall meeting at First District Plaza in West Philadelphia. It is seeking 500 to 600 "demographically representative" participants at www.usabudgetdiscussion.org, Walker says "As I've written in my book *Comeback America*, the factors that led to the financial-service crisis" of 2008 "exist within the federal government's own finances," Walker told me. "We're worse than Spain. Comparable to the U.K. Ten years away from being like Greece."

Gravina said he had invited Walker after learning of his work through Peterson's son **Michael**, Gravina's investment partner at **GPX Enterprises L.P.** and a fellow top executive at his former company, **ATX Communications Inc.** "Their message is fiscal responsibility," Gravina told me. "Our country needs to make sacrifices. Everybody's got a share. We think it's an important cause for my children and my grandchildren."

What exactly does Walker want? For Social Security, he wants an added "automatic" savings plan without guaranteed payouts, like a 401(k) plan; delayed eligibility, eventually limited to age 70 and older or "indexed to life expectancy" for the continuing guaranteed benefit; and higher payroll taxes on the rich, who pay no Social Security after their first \$108,000 in salary.

For Medicare, he wants people who can pay for medicine and other treatments to give up collecting them at taxpayers' expense, "tough" controls on government medical spending rates, and limits on medical lawsuits.

"Americans are starting to vote on these issues," Walker told me. "We see the evidence in some of the

primary elections. It's very clear that fiscal responsibility will be a top-three issue in the 2010 [congressional] elections. Our objective is to make sure it's a top-two issue in the 2012 [presidential] elections."

Since Democrats control the presidency and Congress, this makes the Peterson Foundation sound like a vehicle for Republicans. Separately, liberals such as retired **North Penn High School** history teacher **Joe W. Heyer** lump Peterson with President Obama's National Commission on Fiscal Responsibility and Reform as "opponents of Social Security" who are also trying to "eliminate" Medicare.

Heyer cited Peterson critics such as veteran Federal Reserve watcher **William Greider**, who last winter in the Nation called Peterson "the Wall Street billionaire who wants to loot Social Security," and **Nancy Altman**, a **Penn Law**-educated former **Harvard** instructor and onetime aide to Fed Chairman **Alan Greenspan**, who challenges Peterson's prognoses in her book, *The Battle for Social Security*.

But Walker said his agenda provoked extremists at both ends. "The far left is in denial" that the programs are running out of money. "The far right is in denial that we have to raise taxes. These are fact-based things. They are not opinions. We have to build the sensible center."

Contact columnist Joseph N. DiStefano at 215-854-5194 or JoeD@phillynews.com.

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