

Tab 3

Citation	Search Result	Rank 2 of 28	Database
11/14/95 LATIMES 1			LAT
11/14/95 L.A. Times 1			
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PART-A; National Desk

President, GOP Hold Last-Ditch Summit on Budget; Government: Hope for avoiding shutdown rises as Dole and Gingrich visit the White House. Senate and House remain in session in case of agreement.

PAUL RICHTER; EDWIN CHEN
TIMES STAFF WRITERS

President Clinton and Republican congressional leaders convened a late-night summit at the White House on Monday in a last-ditch effort to broker a temporary budget deal and avert a partial shutdown of the government today.

Both the House of Representatives and the Senate remained in session in case an agreement was reached.

A glimmer of hope for avoiding the first government shutdown in five years arose when Senate Majority Leader Bob Dole (R-Kan.) and House Speaker Newt Gingrich (R-Ga.) announced they were going to the White House for a meeting expected to begin about 10 p.m.

Dole and Gingrich said every point of contention would be "on the table" and that there would be "no preconditions."

The talks appeared even more promising because the two Republican leaders agreed to include the two congressional Democratic minority leaders, Sen. Tom Daschle of South Dakota and Rep. Richard A. Gephardt of Missouri. Dole and Gingrich had refused to involve congressional Democrats in any such discussions, insisting that the dispute was between the White House and Capitol Hill Republicans.

Earlier, Clinton vetoed a temporary borrowing bill, and vowed to veto a stopgap spending measure that would have kept federal offices open, setting the stage for a furlough of more than a third of the government's 2.1 million civilian workers this morning. The stopgap measure was passed by the Senate Monday afternoon. Clinton vetoed the second temporary measure before sitting down with the Republicans Monday night.

Throughout the day, White House and GOP leaders had traded

11/14/95 LATIMES 1

unciations.

Clinton declared that signing the bills would force him to swallow unacceptable portions of the GOP agenda that Republicans had tacked onto the short-term budget bills.

"This legislation is part of an overall back door effort by the congressional Republicans to impose their priorities on our nation," he said. He charged that the GOP was violating the intent of the Founding Fathers by packing special provisions dealing with larger government policy questions into temporary measures meant to deal exclusively with government solvency.

Republicans countered that Democrats often engaged in such tactics when they were in control of Congress. They taunted Clinton and accused him of trying to avoid a compromise. Gingrich said the standoff "must seem like a spectacle to the average American," and he warned that the public will "blame all of us."

Some Democrats as well acknowledged that the standoff cast a highly unflattering light on the adversaries.

"Everybody loses if we try to bring the government to a standstill," said Sen. John B. Breaux (D-La.) "We're so busy trying score political points, I think some people in Louisiana believe even we in Congress are not 'essential' employees who should report to work tomorrow."

Without an agreement, some 800,000 federal workers in Washington and across the country would be furloughed today for an indefinite period. Those employees, who have been deemed nonessential, have been told to report to work, and to be prepared for orders to close up their operations and head home unless a compromise is reached.

Federal supervisors could direct their employees to stay at work longer if it appeared that a breakthrough was coming.

Vital Services

The furloughs would not affect federal services deemed vital, such as air traffic control, law enforcement, the mails and the military. But they would close national parks, museums, passport offices and the processing of new claims for Social Security, food stamps and other government benefits.

The battle over the two temporary measures developed because the Congress has fallen behind in its efforts to finish the work of passing 13 bills needed to fund the various government operations for fiscal year that began Oct. 1. So far, only three of the 13 bills

11/14/95 LATIMES 1

e been finished by Congress.

The two temporary budget measures would keep the government operating as usual for several more weeks, providing Congress and the President time to complete work on the remaining measures.

Some Senate Republicans sought to defuse Clinton's opposition to a GOP provision to raise Medicare premiums for elderly beneficiaries. The Republican measure to temporarily extend the government's spending authority would have raised those monthly premiums, starting Jan. 1, from the current \$46.10 to \$53.50, rather than allowing them to fall to \$42.50, as provided in current law.

As a way around the White House objections, Sen. Peter V. Domenici (R-N.M.), chairman of the Senate Budget Committee, suggested that the spending bill keep the premiums level at \$46.10. But White House officials did not promise that Clinton would accept that compromise. They said that even agreement on that point would not eliminate the President's objection to language in the same bill that would sharply cut interim spending levels for some federal programs.

Temporary Spending

The bill provides that temporary spending could fall to as low as of fiscal 1995 levels for some federal programs that Republicans have sought to cut or eliminate. The provision threatens some programs that are close to Clinton's heart--such as the national service program and Goals 2000 education programs--and thus run counter to vital White House aims.

Mike McCurry, White House press secretary, said, "The President is very concerned about the 60% funding level." As the federal government's borrowing authority ticked toward expiration at midweek, Treasury Secretary Robert E. Rubin took steps Monday to assure that the government would be able to pay its debts. The temporary borrowing bill vetoed by Clinton would have raised the current \$4.9-trillion debt ceiling by \$67 billion.

To stay below the debt ceiling, Treasury officials announced that they will dip temporarily into certain government retirement funds, essentially a bookkeeping ploy in which Treasury securities are redeemed for cash. By removing those securities from the books, the Treasury lowers the total U.S. debt, making room to add on new debt through a series of Treasury auctions this week and next.

The government had faced a major cash squeeze in the coming days--\$102 billion in payments for interest and principal.

Today's announcement is saying we're not going to default," a

11/14/95 LATIMES 1

asury spokesman said.

Bonds rallied on Wall Street after the announcement. The benchmark 30-year Treasury bond yield fell to 6.27% from 6.33% Friday. The Dow industrial stock index inched up 2.53 points to a record 4,872.90, but most stocks closed lower.

Government officials made final plans for furloughs, after going through the frustrating exercise of trying to decide which employees would be essential to their operations.

At the White House, for example, 79% will be furloughed, leaving 90 of the Executive Mansion's 430 full-time equivalent employees on the job.

The guidelines will leave the White House press office staffed by unpaid interns, one press assistant and the press secretary; while the White House's political director, Douglas Sosnik, will be furloughed.

The prospect of a shuttered government is also forcing the White House to shorten a trip to Asia that U.S. and Asian officials have deemed highly important.

Clinton will now spend two days, instead of six, on a trip that was to encompass a state visit with the Japanese, and a meeting with members of the Asian trade bloc.

Long scheduled, the trip will now amount to "a weekend trip to Asia," McCurry acknowledged.

Only days ago, Japanese ambassador to the United States Takakazu Kuriyama was suggesting that such a shortening was undesirable and unlikely. "We don't expect that to happen, and of course we don't want to see that happen, given the importance of the relationship," the ambassador said.

---- INDEX REFERENCES ----

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 11/14/95 LATIMES 1
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