

11th-hour offers spurned

By KATHARINE Q. SEELYE
The New York Times

WASHINGTON — The White House late on Sunday invited Republican congressional leaders to meet today to try to avert a pending government shutdown, but only if the Republicans agreed to scrap their plan to raise Medicare premiums on the elderly.

But the Republicans said no deal, not until the president is willing to meet the leaders unconditionally and without congressional Democrats.

The White House invitation, which was issued shortly after 5 p.m., "had no other intent than to try to spin the 6 o'clock news," said Tony Blankley, a spokesman for House Speaker Newt Gingrich.

Asked if Gingrich and Sen. Bob Dole, the majority leader, would

"If the president would agree to a balanced budget in seven years, then we could make very good progress."

— Sen. Bob Dole



"This is the Republicans against the American people."

— Leon E. Panetta,
the White House chief
of staff

show up at the White House today, Blankley said: "Absolutely not. Not until he says he wants to talk with the speaker and the majority leader unconditionally and without his Democratic chaperones."

The spurned invitation followed a

series of back-and-forth barbs on television programs on Sunday, with the Clinton administration and Republican leaders stating their bottom-line demands for averting a shutdown of the federal government early Tuesday, which now seems all

but inevitable. The administration demanded the Republicans drop what Democrats describe as an \$11 monthly increase in Medicare premiums; the Republicans said President Clinton must agree to work toward a budget that would be balanced in seven years.

The Republicans say there is no Medicare premium increase contained in the continuing resolution — a temporary budget to keep the government functioning — they plan to send to Clinton today. They say the percentage of Medicare Part B program costs that the elderly would pay would be the same as it is now. The dollar amount, however, would increase, from \$46.10 a month now to \$53.50, whereas under current law it

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Senate Majority Leader Bob Dole met in his office Wednesday with Republican congressional leaders to discuss the federal budget. From left were: House Budget Committee Chairman John Kasich, R-Ohio; House Speaker Newt Gingrich; Dole; and Senate Budget Committee Chairman Pete Domenici, R-N.M.

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would fall to \$42.50.

As for the administration, the president has suggested he was willing to consider a seven-year balanced budget, but only if it preserved certain programs involving Medicare, the environment and education.

It wasn't clear whether or by how much either side was willing to

budget after a weekend of digging in their heels in the increasingly vituperative spending standoff. Republicans believe if they back off their promise to balance the budget in seven years, they face ruin at the polls; the president's advisers believe he must stand firm both to counter his image as a man of no convictions and to uphold those programs vital to his natural constituency.

The temporary spending bill, which the House passed on Friday and the Senate is expected to pass today, includes items Democrats call "ideological bells and whistles," such as the Medicare proposal, that the White House considers unacceptable. With public opinion polls on his side, Clinton has vowed to veto the bill when he receives it sometime today, setting the stage for the government

shutdown.

"This is the Republicans against the American people," Leon E. Panetta, the White House chief of staff, told reporters on Sunday after a television appearance as he explained the president's resolve to veto any measure that, as he described it, raised Medicare premiums and cut aid to education and the environment.

Gingrich saw the matter differently, saying the dispute marked a clear-cut fork in the road. The Republicans, he said on NBC's "Meet the Press," were offering "a major choice for America, whether you want to go to a balanced budget, which we do, or whether you want to continue year after year of borrowing money from your children and, frankly, in the long run keeping inter-

est rates higher and, ultimately, we think, breaking the country financially."

Gingrich said he would be willing to renegotiate everything else in the bill if Clinton would agree to the principle of reaching a balanced budget in seven years. "Everything would clearly be on the table at that point, as long as he agreed to seven years of an honest balanced budget that was real," he said.

If the president vetoes the measure and no last-minute agreement is reached today, all federal workers across the country would still report for work on Tuesday, but about 800,000 "nonessential" workers — about 40 percent of the nonmilitary government payroll — would then be sent home. About half of them work in the Washington area.

The administration said the mail would still be delivered, Amtrak trains would run, active servicemen and women would remain on duty, air traffic controllers would remain on the job, the Internal Revenue Service would still process tax forms and Social Security checks would be sent out. Welfare checks and food stamps would still be issued but no new applications would be processed.

Other so-called nonessential functions would cease. National parks, monuments and museums such as the Smithsonian Institution would shut down. Veterans' benefits wouldn't be mailed. Much of the State Department work force would be furloughed, cutting off the issuance of passports unless citizens produce an airline ticket showing an imminent departure overseas.

Snubbing led to standoff, Gingrich says

Flight to Rabin's funeral sore point

By JILL LAWRENCE
The Associated Press

WASHINGTON — An angry Newt Gingrich said Wednesday that Clinton administration snubs during lengthy flights to and from Israeli Premier Yitzhak Rabin's funeral led to this week's budget impasse and government shutdown.

House Speaker Gingrich and Senate Majority Leader Bob Dole have been simmering ever since their 25 hours in the air early this month.

"Both of us got on that airplane expecting to spend several hours talking about the budget and how to avoid the shutdown," Gingrich said.

The lack of contact and their having to exit through the rear of the plane were "part of why you ended up with us sending down a tougher continuing resolution,"



House Speaker Newt Gingrich checks his watch as he and Senate Majority Leader Bob Dole prepare for a news conference Wednesday night.

Gingrich said in an extraordinary exchange with reporters.

"There's no conceivable way he would have said anything like that," White House spokesman

Mike McCurry said when told of Gingrich's remarks. "I just fail to believe the speaker would somehow or other connect this to the current budget crisis."

Gingrich accused the White House of incompetence and worse in a steadily more agitated description of what happened on the flight and how he and Dole interpreted administration actions.

Saying, "This is petty," but shouldn't be trivialized, Gingrich said Clinton walked by twice at the beginning of the trip. Clinton's chief of staff, Leon Panetta, came back "and said maybe we can work something out. The conversation with Panetta was three minutes out of 25 hours," Gingrich said.

The two Republican leaders had to leave the plane by the back ramp, instead of with the president down the front ramp as they had in Israel.

"You just wonder where is their sense of manners, where is their sense of courtesy," Gingrich sputtered. "Was it just a

FALLOUT

"Nonessential" workers who show up on the job may face prison and fines; Sen. Nancy Kassebaum thinks both parties will be hurt by the stalemate;

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sign of utter incompetence or lack of consideration, or was it a deliberate strategy of insult?"

McCurry said Gingrich was treated with "utmost courtesy," including being allowed to bring his wife along on the trip. Others were denied that privilege.

"The president of the United States lost a friend. And I don't think he much felt like talking about budget politics with Speaker Gingrich, with all due respect," McCurry said.

BUDGET CRISIS

Gingrich both boon, bane for Dole

By JOHN KING
The Associated Press

WASHINGTON — As he discussed the budget battle with President Clinton the other night, House Speaker Newt Gingrich took a moment to praise the insights of his 72-year-old ally: "We used to think that age was going to be an issue — until we decided that maturity might be good."

Bob Dole could only smile at that.

As another budget showdown plays out in Washington, Dole finds himself in a familiar role: leading Senate Republicans in a confrontation between Congress and the White House. Once again, he has a lead role in the quest for a compromise, a trademark of his legislative career.

This time, however, Dole's job is complicated by presidential politics and the fact that any deal needs the approval of Gingrich. The first Republican speaker in 40 years is a hero to most conservatives and has in many ways eclipsed Dole as the party's leader.

Their delicate relationship at times is a boon to Dole's campaign, offering him political cover when presidential rivals suggest he has compromised the GOP agenda.

On a daily basis, for example,

Texas Sen. Phil Gramm suggests Dole is too willing to abandon Republican principles. Just Wednesday, Gramm vowed in a letter to Dole to fight any "phony budget deal."

Dole's alliance with Gingrich, however awkward at times, makes it harder to make such charges stick.

Dole's role in the budget fight also guarantees him a daily spotlight his rivals can only envy.

Not that the Dole-Gingrich alliance isn't without risk to the GOP front-runner. Just a few months ago, Dole led Clinton in head-to-head matchups, but now trails modestly, a slide analysts in both parties attribute to rising public anxiety about the Republican congressional agenda. Even many Republicans concede Gingrich's high personal negatives ratings are a major factor in that anxiety.

In the latest NBC-Wall Street Journal poll, for example, 43 percent of Americans had a negative view of Gingrich, while 28 percent viewed him positively. Among Republicans, however, Gingrich was viewed positively by 53 percent and negatively by just 21 percent.

On Monday and Tuesday, many Republicans complained Clinton had gotten the upper hand in the budget debate by casting it as a fight over

Medicare. And many expressed nervousness at Gingrich's high profile in the debate.

But the GOP mood was more upbeat Wednesday, as Republicans rallied around the theme that any deal with Clinton would have to include his commitment to balance the budget by 2002.

Dole and Gingrich appeared at a Wednesday evening news conference, promising to quickly send Clinton a temporary spending measure that would allow the government to reopen provided Clinton sign on to the seven-year timetable. The White House rejected the offer.

In their efforts to crack GOP unity, Democrats have repeatedly tried to drive a wedge between Gingrich and Dole, by depicting Dole as eager to compromise but captive to Gingrich and a more conservative House caucus.

That Gingrich hasn't completely ruled out a 1996 presidential run of his own isn't lost on others involved

in the budget impasse. Many worry the dueling ambitions of Clinton and Dole have made an already difficult dispute even harder to resolve.

"Unfortunately, this is all tied up around presidential politics on both sides of the aisle," said Nebraska Sen. James Exon, the ranking Democrat on the Senate Budget Committee. "I'd simply say that the titans are at work."

Whatever the reason, many Republicans were predicting the stalemate would last at least into next week. Gingrich and Dole planned to keep Congress in session and make the case they weren't to blame for the prolonged shutdown.

For Dole, that could mean not attending a Republican presidential debate Friday night in Florida, and a major GOP straw poll the next day, although aides held out hope he could make a brief appearance.

Dole is favored, and aides believe a victory would make him a prohibitive front-runner heading into the early nominating contests now just three months away. But they also know Dole is likely to come under sharp attack in the debate, and that the budget fight is sure to overshadow the straw poll. So he is prepared to spend most of his time in Washington, with Gingrich.

Dole top target as GOP hopefuls debate in Florida

By JOHN KING
The Associated Press

ORLANDO, Fla. — In an awkward but sometimes crackling debate, Republican presidential hopefuls challenged front-runner Bob Dole's commitment to tax cuts and shrinking government Friday night and clashed over who was best suited to provide conservative leadership.

Millionaire publisher Steve Forbes said Dole had supported 16 tax increases in the last 14 years. Commentator Pat Buchanan said there was "a lot of truth" in that — and noted he ran in 1992 because President Bush had broken his promise not to raise taxes.

For good measure, Buchanan took aim at conservative rival Phil Gramm as well, saying the Texas senator had "engineered" Bush's 1990 tax increase. Gramm was involved in the summit that produced the tax increase but then voted against it.

"I appreciate your making up things," he chortled at Buchanan.

But it was Dole who had the most defending to do. Fending off the attacks on taxes, Dole said most of the votes mentioned by Forbes were to close loopholes — and were supported by Republican presidents. And he said he was providing the very leadership his rivals were promising.

Arriving for the debate 40 minutes late, Dole came fresh from muscling the GOP's balanced-budget plan through the Senate, and touted its \$245 billion tax cuts — as well as his leadership in getting Ronald Reagan's

tax cuts passed in 1981.

"That is the Bob Dole record and I am proud of it," Dole said.

Dole also rejected former Tennessee Gov. Lamar Alexander's assertion that Republicans were adopting a welfare reform measure that left too much power in Washington. Dole noted that the measure was supported by all 30 Republican governors.

Alexander's effort to suggest he had the best chance of beating President Clinton because he was the "outsider" in the race drew a retort from Indiana Sen. Dick Lugar. "Simply running against Washington is a gimmick," Lugar said.

The debate was scheduled to be held in Florida as part of the runup to a major GOP straw poll today, but only three of the nine candidates were in Orlando. The others were in Washington, because of the congressional action on the GOP balanced budget plan.

In sometimes chaotic exchanges, the candidates courted the straw poll delegates and a national television audience with pledges to reform welfare, balance the budget — and evict Clinton from the White House.

California Rep. Robert Dornan drew rousing applause when he called Clinton "the most corrupt man to ever sit in the White House."

But Clinton wasn't an issue as much as the Republican agenda — and the candidates' commitment to it.

For all the talk of getting rid of the Education Department, Buchanan noted scornfully that it was not eliminated as part of the GOP budget.

"Give us a little time," Dole said.

Republicans take on Dole in Florida presidential poll

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"Give us a little time," Dole said, noting it has been 40 years since Republicans controlled Congress. "It may take more than one year or two years to make any these changes." But he said they would come with his "strong leadership in the White House."

A subplot to tax-cut discussion centered on the Republican divide over revamping the income tax code. Lugar called for scrapping the income tax in favor of a sales tax; Forbes and Pennsylvania Sen. Arlen Specter promoted a flat tax.

Moderator Larry King's first question to each of the candidates was whether they would consider Powell for the No. 2 spot on the GOP ticket, or for a spot in their Cabinet.

Dole, Alexander and Specter said Powell would be on their list of potential running mates.