

Top Leaders' Budget Meetings Just a Prelude to Bargaining

By Ann Devroy
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By historical standards, it was extraordinary. The top leaders of Congress and the president crammed themselves into the small White House Cabinet Room and spent the final three days of one of the most contentious years in American politics engaging in 13 hours of face-to-face discussion of the great issues of government that have divided the politicians and shut down chunks of the government for more than two weeks.

But according to interviews over the weekend with several participants in the balanced budget talks that finished their first phase Sun-

day, almost nothing happened. Except talk. "Our dirty little secret," said one Democrat, "is not much was done." Said a Republican staff member, "When all is said and done, a lot was said and nothing was done."

Congressional and White House aides yesterday were preparing for what officials call the "give-and-take" phase of negotiations, with the president and congressional leaders scheduled to meet again at the White House this afternoon. Sources said the proposals being prepared amount in some areas to "the building blocks" of potential ways to get to agreement, but are "vague" and are meant to be put on the table to illustrate ways "you can get there

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from here" without constituting any recommended way by any side to actually take steps away from current positions.

Few involved in the process are predicting a quick settlement, and some remained convinced there will be no settlement at all. That would leave President Clinton and Congress in the unheard-of position in late January of preparing and taking up State of the Union and budget proposals for the next fiscal year with the current year still in chaos.

With 280,000 federal workers held captive and untold numbers of Americans getting restricted or no needed federal services under the current partial government shutdown, the leaders and dozens of their aides spent the past week in something less than a crisis mode. They prepared papers on their current positions on issues from Medicare to welfare reform to taxes to discretionary domestic spending and then, in the White House sessions, outlined for each other their current positions, scored some occasional debating points and briefed one another inside the confines of the Cabinet Room.

Virtually nothing that could be described as negotiation occurred, all

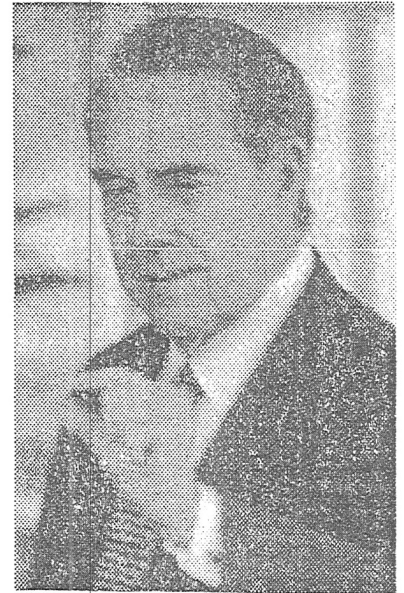
participants interviewed agreed. Some defended the sessions as a necessary prelude to real negotiations. "Nothing got done but it was useful," said one participant. "You got a sense of where the stress and strains were on either side, what is real principle and what is negotiable policy difference."

By all accounts, Clinton, a passionate lover of policy seminars, seemed to have had a good time. "It felt like Bill Clinton really loved this. He truly enjoys sitting and talking and listening to others talk about the issues and their finer points," one congressional Democrat said. "And [House Speaker Newt] Gingrich was amazing, really. He thinks and talks like he is co-president. He did a lot of expounding, I would call it pontificating."

Participants described Gingrich (R-Ga.), for example, as accusing the White House of engaging in budgetary sleight-of-hand by proposing to shift some costs from one part of Medicare to another, and being sharply challenged by Rema Cohen, a senior aide to Senate Minority Leader Thomas A. Daschle (D-S.D.), who pointed out that Republicans do much the same. It is extremely rare for staff members to publicly challenge elected members—Budget Chairman John R. Kasich (R-Ohio)

reportedly chastised Cohen—but sources said staff members repeatedly joined in the discussions.

Senate Majority Leader Robert J. Dole (R-Kan.)—a politician known for his deal-making and not for his love of seminars—and House Minority Leader Richard A. Gephardt (D-Mo.) were each described as saying very little and joining in only at key points. "They are both very experienced legislators. They are not



SEN. ROBERT J. DOLE

... group discussions not his style

about to show their hands and start serious trading with 40 people in the room. They save the speeches for audiences that want to hear them," said one participant.

Vice President Gore was described as a "very aggressive" defender of Democratic positions, cheered on by those in the administration and Democratic congressional forces dubious that any palatable deal can be made.

Interviews with several participants who insisted on anonymity, some with long experience in budget talks including the lengthy Andrews Air Force Base summit that produced the 1990 budget deal, produced a common adjective—"weird"—to describe the format. Some saw an educational benefit for the participants, but none could recall a situation where the president and leaders themselves engaged in so much talk and face-to-face discussion of even minor details of budget proposals, rather than setting parameters and leaving much of the nitty-gritty to designated staff,

members of Congress with jurisdiction and expert aides.

"It was like a graduate seminar in health care policy," said a source who monitored one segment and groused that it was a holiday season public relations ploy aimed at making it look as though something were being done to settle the policy disputes when, in fact, not much was. "I felt like I was at a welfare subcommittee hearing," said a Democratic source. "This is the kind of thing three congressmen and a bunch of staffers do, not the leader of the free world and the leadership of Congress."

According to both White House press secretary Michael McCurry and Tony Blankley, press secretary to Gingrich, the main thing the White House and congressional leaders decided was to refuse to discuss the content of the sessions and to characterize them optimistically. The rationale was that having the leaders actually talk to one another, instead of about one another in news conference volleys, was real progress.

"Everyone wants to look like they

are trying to get the government reopened," said a congressional aide present for about a third of the discussion. "So everyone said here we are working hard to get the government reopened. But the experienced legislators in the room all know there are ways you structure meetings to produce agreements, and there are ways you structure meetings that will produce endless b.s. This was the latter."

The sessions, which lasted more than three hours Friday night, about seven on Saturday and about three on Sunday, included the president, vice president, and senior staff and Cabinet members from the administration, the majority and minority leaders from both houses of Congress, and a changing cast of dozens of staff members with expertise in whatever subject areas were being discussed. Separate segments dealt with tax cuts, welfare reform, Medicare and Medicaid, and non-defense discretionary funding.

In all the areas, not only are Republicans and Democrats divided, but Democrats and Republicans are divided among themselves as well, creating the need for dozens of inter- and intra-party compromises. Virtually none was put on the table last week, and welfare was the only

area where some participants saw positions close enough to reach a relatively quick compromise.

On Medicare, for example, Clinton has proposed a little under \$100 billion in savings, as assessed by the Congressional Budget Office. The Republicans have proposed savings that are more than twice as large. The discussion did not center on some middle-ground number for the savings, however, but instead ranged over technical and policy discussions of various ways to make savings, and of extraneous pieces of the Medicare proposal such as the Republican plan for a tax-deductible health care savings account.

Said one participant, "Everyone knows that in order to start solving this, you gotta agree on a number—\$125 billion in savings, \$150 billion, whatever. And you probably got to drop out all the little extra policy dollops. But nothing like that was on the table."

In a discussion of food stamps, a piece of the welfare debate, one person familiar with the session said the sides did not exchange compromises over funding levels but instead spent hours talking about how the main program and other pieces of other programs interrelate. The group spent an hour, another source said, discussing how a person's food-stamp allotment is related to his or her housing costs.

The format and pace of the discussions led some during the weekend, mainly Republicans, to assert that Clinton really does not want a deal, particularly since congressional Republicans have borne the burden in recent polls of being blamed for the gridlock while the president's approval ratings have gone up and remained there. Several of Clinton's advisers, in and outside the White

House, maintain that he wants to make a deal.

But his senior staff is sharply divided over whether a deal that is defensible on political and policy grounds is possible. Among the strongest advocates of reaching a deal are Clinton, political consultant Dick Morris, and Budget Director Alice M. Rivlin. Among the most dubious, some White House insiders say, are Gore, senior adviser George Stephanopoulos, deputy chief of staff Harold Ickes and campaign adviser James Carville. White House Chief of Staff Leon E. Panetta and Treasury Secretary Robert E. Rubin are said to vacillate between believing an acceptable deal is possible and believing it is not.

Morris, according to sources inside the administration, has repeatedly argued the Republicans are poised to compromise because they need a deal more than Clinton. And Morris thinks that an agreement will give the president the best of both worlds—proof of governing ability in a divided government and a campaign theme that a Democratic president is needed to keep Republicans from dropping off the deep end of extremism.

The no-deal advocates argue that any deal the Republicans will take will amount to yet another move by the president into Republican philosophy and erase his new image as a president of conviction. They also contend it would leave Republicans

not only with their chief priority won—a balanced budget in seven years that proves they can govern—but also with the campaign argument that putting a Republican in the White House and more Republicans in Congress would result in real change without endless gridlock leading up to it.

Staff writer Barbara Vobejda contributed to this report.

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