

But Offer Restricts Program Operations

By Eric Pianin
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House Republican leaders, responding to mounting pressure to end a three-week-old government shutdown, last night offered a plan that would allow all federal employees to return to work with pay through March 15 but only a handful of selected agencies affected by the shutdown to resume full operations.

The proposal was unveiled last night by House Speaker Newt Gingrich (R-Ga.) after Republican leaders canceled a White House budget bargaining session and met throughout the day with rank-and-file Republicans in search of a solution to the shutdown. Gingrich and other GOP leaders spent the day trying to sell the proposal to their members, but it ran into tough criticism last night during a closed meeting of the entire House GOP Conference at the Capitol.

"There is no resolution," Rep. John A. Boehner (Ohio), a member of the House GOP leadership, told reporters at the conclusion of a roughly two-hour party caucus.

Boehner said there were "a lot of options put on the table" and that Republican leaders would take "a couple of more days" to decide what to do.

He described the budget impasse with President Clinton as being at a "crossroads."

Although the fate of the plan was uncertain, it marked a major concession by hard-line House GOP leaders and an acknowledgment that their strategy for linking the fate of federal employees to White House concessions on a balanced budget had failed.

House Agriculture Committee Chairman Pat Roberts (R-Kan.), a critic of the GOP linkage strategy, said that Clinton was "winning the PR or political perception battle." While Republicans were justified in vigorously pursuing their budget and tax cut policies, Roberts said, "To use a government shutdown as a political crowbar to make your point is very self-defeating."

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BUDGET, From A1

Congressional leaders and White House officials predicted that if the plan emerged intact from the House it would be quickly approved by the Senate and signed by the president.

The plan would provide temporary relief for 760,000 employees who were either furloughed or required to continue working but without pay beginning Dec. 16, when a previous short-term spending agreement expired. However, the measure falls far short of a full reopening of the government because it funds only a limited number of critical activities.

This could leave many workers

back at their desks but with little if anything to do. It would also prevent the issuance of billions of dollars' worth of government contracts that would have a devastating effect on private industry and local economies.

About a dozen targeted programs, including Meals on Wheels for seniors, the National Park Service's visitors centers, the passport office, foster care and adoption assistance, the administration of unemployment assistance and Aid to Families with Dependent Children would receive full funding. Most of those programs will be funded through the end of the fiscal year, Sept. 30.

The immediate cause of the latest partial government shutdown—the second since November—was the failure of Congress and the president to reach agreement on annual spending bills for nine Cabinet departments and 38 agencies and commissions for the fiscal year that began Oct. 1. However, the larger, controlling issue is the deadlock in talks between Clinton and Republican leaders over a far-reaching plan for eliminating the deficit by 2002. The resulting partial shutdown left 760,000 employees either furloughed or forced to work without pay until the crisis ends.

Although House GOP hard-liners, including Armev and House Majority Whip Tom DeLay (R-Tex.), vowed as late as Wednesday to continue the

Limited Program Funding

The GOP proposal would allow the 280,000 federal furloughed employees to return to their jobs regardless of which of the affected departments employs them, but only these government programs would receive operating funds.

Funded through Sept. 30:

- Meals on Wheels
- Child welfare programs, including federal parent locator service
- Administration of unemployment insurance
- Aid to Native Americans

- Railroad retirement payments
- Visitor services in the National Park Service system
- Passport, visa and citizen services abroad
- Veterans benefits
- Operation of District of Columbia with its own revenue

Funded through March 15:

- Aid to Families with Dependent Children
- Foster care and adoption assistance to states

Some of the programs that would have to operate without funding:

- Toxic waste cleanup
- Student loans
- Housing and Urban Development programs, including home-purchase loans
- Peace Corps
- Centers for Disease Control, which is tracking a flu outbreak in the Midwest
- Small-business loans
- Federal Emergency Management Agency's food and shelter program

shutdown until Clinton offered a proposal for balancing the budget over seven years, many Republicans conceded yesterday that they needed a dramatic shift in their budget strategy to take some of the heat off their party.

Republicans early last year dismissed Clinton as "irrelevant" to the budget debate and later predicted that he would bend under the pressure of a GOP-inspired government shutdown to go along with a seven-year plan for eliminating the deficit—the centerpiece of their Republican revolution. Instead of forcing Clinton's hand, the House Republicans' strategy opened the Republicans to stinging attacks from Democrats, federal employee union officials, private contractors affected by the shutdown, newspaper editorialists and even Senate Republicans who want an end to the crisis.

At his news conference Wednesday, Clinton said that it was wrong to close the government and that Republican hopes of extracting budget concessions from him by prolonging the partial shutdown was an "illusion."

"We always assumed the president would come to the table and negotiate," said Rep. Jim Kolbe (R-Ariz.), a senior House Budget Committee member. "It never dawned on us he would never negotiate. . . . It has shaken us and clearly forced us to go

back to the drawing board to devise new strategies."

A new CBS News poll shows that 44 percent of Americans blame Republicans for the shutdown, compared with 33 percent who hold the president responsible. Another poll by ABC News shows that while Clinton's approval rating has dipped slightly, disapproval of Republicans has risen from 71 percent to 74 percent since November.

A turning point in the government stalemate came Wednesday, when Senate Majority Leader Robert J. Dole (R-Kan.), the leading GOP presidential candidate, broke with House Republicans by pushing through the Senate a measure that would have temporarily returned all employees to work with full pay and resumed all government operations while the budget negotiations continued.

Dole's action was rebuffed by House Republicans on Wednesday, with some saying the majority leader had "caved in" to political pressure. But Dole's action was roundly applauded by the president and congressional Democrats and served to further isolate House Republicans.

Beginning late Wednesday night and continuing throughout yesterday evening, Gingrich and the GOP leadership met behind closed doors to come up with a way out the political thicket.

They considered a raft of alternatives for minimizing their own political damage and pressuring Clinton to agree to a budget deal—including drafting and submitting a whole new balanced budget and tax cuts plan that might draw support from conservative Democrats as well as ideas for narrowly targeting temporary spending bills to allow politically sensitive programs to resume normal operation.

The leadership fended off Democratic efforts Wednesday to bring up Dole's proposal, which would have sent all federal employees back to work and permitted all government agencies affected by the partial shutdown to resume normal operations. By late yesterday, however, House GOP leaders were faced with the possibility of mass defections by as many as two dozen Republicans, including members from the Washington area who represent large numbers of furloughed federal employees.

At that point, they were faced with the choice of sticking to their guns or losing control of the House floor to the Democrats.

A senior administration official said

Clinton would accept the plan to reopen the government, despite its "kind of goofy" provision that federal workers can be paid even while their

agencies have no authority to spend money.

That provision was simply a face-saving measure, this official gleefully asserted: "They have caved, their strategy has failed, but they don't want to admit it."

While Clinton will continue to argue that all the government should be reopened without strings attached, he will accept this short-term measure as a "step in the right direction," a senior administration official said.

Without a deal, Clinton was prepared to continue his strategy of lashing House Republicans for keeping the government closed, while portraying himself as a determined advocate of popular programs.

Today, for example, the president planned to announce that he had juggled funds within the Agriculture Department to allow full operations for the Meals on Wheels program for the elderly. He was to have made the announcement at a Capitol Hill Meals on Wheels kitchen. Since Meals on Wheels is one of the programs House GOP leaders have proposed to reopen fully, White House officials said last night it was not clear whether Clinton would go ahead with the event.

Aides to the House and Senate Democratic leadership said late yesterday that while the latest GOP plan is not ideal, it would bring an immediate end to the suffering and uncertainty of many federal employees.

"This isn't the best solution, to cherry-pick, but any relief to American families is better than no relief," said an aide to Senate Minority Leader Thomas A. Daschle (D-S.D.). "What's really needed is a continuing resolution that opens the entire government that assures that all the services taxpayers have paid for are provided and that we get on with real issue of negotiating a balanced budget."

Staff writers Helen Dewar and John F. Harris contributed to this report.

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House GOP freshmen, from left, Brian Bilbray, Mark A. Foley, Roger Wicker (with back to camera), and Gerald Weller.



Reporters leave briefing with GOP leadership (foreground from left) Sen. Pete V. Domenici, Rep. John Kasich, Speaker New Gingrich and Sen. Robert J. Dole.

PHOTOS BY RAY LUSTIG—THE WASHINGTON POST