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# Push Intensifies for Larger Deal on Debt Impasse

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WASHINGTON — With the clock ticking down, [President Obama](#) and Congressional leaders began a final effort to forge a broad deficit-reduction plan even as new cracks appeared among House Republicans over how to proceed.

The White House suggested for the first time that Mr. Obama might be willing to agree to a short-term increase in the [debt ceiling](#) by Congress — perhaps for a few days — if such a deal was in sight, stepping up the pressure on the two parties to come to terms.

Mr. Obama met separately at the White House with Republican and Democratic leaders. But neither side reported any substantive progress as they searched for a formula that would include deep spending cuts, cost-saving changes to entitlement programs and an overhaul of the tax code that would increase revenues by closing certain tax breaks and eliminating deductions but also lower some tax rates.

Politically, the main question remained whether House Republicans would be willing to negotiate over any package that could be construed as raising taxes, and throughout the day there were signs of internal debate among party leaders.

Speaker John A. Boehner has shown continued interest in a deal if it can be done in a way that emphasizes lower tax rates.

But Representative Eric Cantor, the No. 2 Republican, and others like Representative Paul D. Ryan of Wisconsin, the Budget Committee chairman, warned that the most specific proposal to be made public so far — and the one that has done the most to reopen the possibility of a bipartisan accord — relied far too much for them on higher revenues to cut projected deficits.

That plan is the one put forward Tuesday by the so-called Gang of Six, a bipartisan group of senators who worked for months to reach an agreement and whose work was lauded by Mr. Obama as a sign that a deal was possible. The plan included a net increase in government revenue of about \$1 trillion over a decade.

“I am concerned with the Gang of Six’s revenue target,” Mr. Cantor said.

Deepening the impasse was growing opposition among House Republicans to a fallback position developed by Senator Mitch McConnell, the Republican minority leader, that would allow the debt ceiling to be raised without any support from Republicans but also would not impose the dollar-for-dollar cuts in spending that have been central to the party’s negotiating position.

But given the looming prospect of Congress’s missing the Aug. 2 deadline and risking a default on United States government debt — a development that could shake financial markets and harm the already weak economy — some Republicans appeared more willing to consider a deal locking in spending cuts that Mr. Obama has said he would take if balanced by new revenues. Conservatives have split over sticking to their no-taxes principles if it means walking away from progress toward restraining the growth of government.

At the White House, officials alternated between a sense of encouragement and growing concern that time is running out to avert a full-scale crisis.

“There is still time to do something significant if all parties are willing to compromise, because the

parameters of what that might look like are well known,” said Jay Carney, the White House spokesman.

With an eye on the calendar, the president summoned leaders of both parties to build on Tuesday’s release of the \$3.7 trillion deficit-cutting plan by the Senate’s Gang of Six.

At the Capitol, however, the emphasis was on a plan that Mr. McConnell has been putting together with the Senate majority leader, Harry Reid, Democrat of Nevada, to empower Mr. Obama to raise the borrowing ceiling.

The four House leaders — Mr. Boehner, Mr. Cantor; Representative Nancy Pelosi of California, the Democratic leader; and Representative Steny H. Hoyer of Maryland, the No. 2 Democrat — met Wednesday and, according to officials, reviewed problems with the McConnell plan.

Such talks between the two parties’ leaders in the House, which are rare given the polarized relations in that chamber, reflect the recognition that the Republican majority cannot pass the increase in the debt limit without a significant number of votes from Democrats.

“The House has got people who are dug in,” said Senator Saxby Chambliss, Republican of Georgia, a former House member and a close friend of Mr. Boehner’s. “He has got a certain number of them who campaigned on not voting to raise the debt ceiling.” Mr. Chambliss said estimates of the number of House Republicans who would vote against any increase in the debt ceiling ranged as high as 60.

But given the potential for a backlash if there is a crisis, House Republicans were also weighing a short-term extension tied to a corresponding amount of spending cuts, a move the White House was unlikely to favor.

Senate leaders were still planning to go forward with consideration of the McConnell fallback after considering the “cap, cut and balance” plan that cleared the House on Tuesday but that has no chance of passing the Senate.

To improve prospects for the McConnell plan in the Senate, the leadership was drawing up a list of spending cuts that would be attached to it as well as other deficit-cutting proposals.

If the president is to proceed with a major agreement, one of his chief hurdles could be winning some support from leaders in the Senate.

The leaders of the Gang of Six — Mr. Chambliss and Senator Mark Warner, Democrat of Virginia — were finding it harder on Wednesday to get other senators to sign a letter endorsing their approach than might have been suggested by the support voiced a day earlier among the 43 colleagues who attended a closed-door briefing on the package.

“There were a lot of people who said yesterday in our meeting, ‘Hey, we want to be supportive, but we want some detail.’ And that’s a fair question,” Mr. Chambliss said in an interview. “They’re still supportive, but they’re not willing to put their names on the line until they see a lot more of the intricate detail, and I don’t blame them.”

Despite talk of a breakthrough, administration officials worried that Congress’s schedule left no room for error.

The situation is reviving memories in both parties of two previous times that House Republicans rebelled against their leadership’s compromises, provoking such negative market reactions that the Republicans quickly retreated: in September 2008, when the House initially rejected President George W. Bush’s proposed bailout of the financial system, and in October 1990, when House Republicans opposed a deficit-reduction deal that the first President Bush had negotiated with Congress’s Democratic leaders.

“This time is, unfortunately, more consequential,” a senior administration official said.



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