

Shutdown Day 10

Hope? Talks But No Resolution Yet

BY DAVID ESPO

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WASHINGTON — The nation's economy on the line, President Barack Obama and congressional Republicans groped inconclusively Thursday for a compromise to avert an unprecedented U.S. default and end the 10-dayold partial government shutdown.

"We expect further conversations tonight," House Majority Leader Eric Cantor said cryptically at nightfall, after he. Speaker John Boehner and a delegation of other Republicans met for more than an hour with Obama at the White House.

The White House issued a statement describing the session as a good one, but adding, "no specific determination was made.

Yet it seemed the endgame was at hand in the crises that have bedeviled the divided government for weeks, rattled markets in the U.S. and overseas and locked 350,000 furloughed federal workers out of their jobs. Both sides expressed fresh hopes for a resolution soon.

The up-and-down day also featured a dour warning from Treasury Secretary Jack Lew, who told lawmakers that the prospect of default had already caused interest rates to rise — and that worse lay

Appearing before the Senate Finance Committee, Lew said the Treasury must pay Social Security and veterans benefits as well as salaries to active duty military troops during the second half of this month. He said failure to raise the \$16.7 trillion debt limit by Oct. 17 "could put timely payment of all of these

Senate Majority Leader Harry Reid advanced legislation to simply raise the debt limit and stave off the threat of an unprecedented federal financial default — a measure that Republicans are likely to block unless he agrees to change it.

Across the Capitol, Boehner left open the possibility of launching a rival measure in the House on

As he described it for his rank and file in a closed-door morning session in the



OLIVIER DOULIERY/ABACA PRESS/MCT U.S. Speaker of the House John Boehner (R-OH) speaks at a press conference after a conference meeting at the U.S. Capitol October 4 in Washington, DC. Today marks the tenth day of the government shutdown as Republicans and Democrats remain gridlocked over funding the federal government.

Capitol, it would leave the shutdown in place while raising the nation's \$16.7 trillion debt limit and setting up negotiations between the GOP and the president over spending cuts and other issues.

At the White House, spokesman Jay Carney told reporters the president would "likely sign" a shortterm extension in the debt ceiling, and did not rule out his doing so even if it left the shutdown intact.

Reid wasn't nearly as amenable. "Ain't gonna happen," he said brusquely.

By the time House Republicans had returned from the White House hours later, Rep. Hal Rogers, R-Ky., said part of their hope was to "quickly settle" on legislation to permit the government to reopen.

Rogers, the chairman of the House Appropriations Committee, told reporters it was clear Obama would "like to have the shutdown stopped ... and we're trying to find out what he would insist upon in the (legislation) and what we would insist upon.'

Heartened by any hint of progress, Wall Street chose to accentuate the positive. After days of decline, the Dow Jones industrial average soared 323 points on hopes that the divided government was taking steps to avoid a default. Reid's dismissive comments at the White House came at the end of the trading day.

After more than a week of lost tourism, some governors prevailed on the Obama administration to let states use their own money to pay for national parks to reopen, Grand Canyon and Zion among them.

There was a catch — the Interior Department made it clear

it didn't plan to reimburse the

states after the shutdown

Senate Republicans forged ahead on an alternative of their own that would ease both the debt-limit and shutdown crises at once. Officials said that it would require Obama to agree to some relatively modest changes to the health care law that stands as his signature domestic

achievement. Some tea party-aligned lawmakers claimed partial credit for the GOP retreat, casting it as a way of finessing one problem so they could quickly resume their own campaign to deny operating funds for the national health care overhaul known as "Obamacare."

Ironically, Boehner's plan stirred grumbling among relatively moderate Republicans who said the shutdown should end, but little if any unhappiness among the staunch conservatives who often part company with party leaders.

One Republican said he and fellow tea party allies deserved at least partial recognition for the plan that would raise the debt limit without reopening the government.

"I actually went to (Majority Leader) Éric Cantor a couple days ago and I proposed this. I said, 'You're going to think this is crazy but I, as a conservative, would be willing to vote for a debt ceiling for six weeks.," said Rep. Raul Labrador, R-Idaho.

Republicans also were ready to claim victory on another front, noting that they were now in negotiations with the president, who had said repeatedly there would be none until the government

was open and default prevented.

For his part, Reid has proposed no-strings-attached legislation to raise the debt limit by \$1.1 trillion, enough to prevent a recurrence of the current standoff until after the 2014 elections.

In remarks on the Senate floor during the day, Sen. Mitch McConnell of Kentucky, the GOP leader, said that Democratic measure "just won't fly. ... The American people can be persuaded to raise the debt ceiling, but they're not in any mood to simply hand over a blank check.

Since the current standoff began more than two weeks ago, Republican demands have shifted continuously, while the president's position has remained essentially unchanged.

The shutdown began on Oct. 1 after Obama ruled out any concessions that would defund, delay or otherwise change the new health care law. He said he would be willing to negotiate on a range of issues, but only after the shutdown was ended and the debt limit raised

Republicans drafted a long list of demands to accompany any increase in the debt limit, including some that would raise the cost of Medicare for better-off beneficiaries, make changes to the health care law and roll back several environmental regulations either issued or in the planning stages by the administration.

In recent days, the focus has shifted from the shutdown to the threat of default, and Republicans have spoken less and less frequently about insisting on concessions in the health care law.

The call for negotiations on long-term deficit cuts would mark a return to basics for the House Republican majority.

Shortly after taking control in 2011, the rank and file initiated a series of demands to cut spending, culminating in an agreement with Obama that cut more than \$2 trillion over

a decade.

After four years of trilliondollar deficits, the 2013 shortfall is expected to register below \$700 billion.

At the same time, the nation's debt rises inexorably. It was \$10.6 trillion when Obama took office during the worst recession in decades, and has grown by \$6.1 trillion in the years since.

Second American In Orbit, Dies At 88

DENVER (AP) — Scott Carpenter, the second American to orbit the Earth, was guided by two instincts: overcoming fear and quenching his insatiable curiosity. He pioneered his way into the heights of space and the depths of the ocean floor.

'Conquering of fear is one of life's greatest pleasures and it can be done a lot of different places," he said.

His wife, Patty Barrett, said Carpenter died Thursday in a Denver hospice of complications from a September stroke. He

Carpenter followed John Glenn into orbit, and it was Carpenter who gave him the historic sendoff: "Godspeed John Glenn." The two were the last survivors of the famed original Mercury 7 astronauts from the "Right Stuff" days of the early 1960s. Glenn is the only one left alive.

In his one flight, Carpenter missed his landing by 288 miles, leaving a nation on edge for an hour as it watched live and putting Carpenter on the outs with his NASA bosses. So Carpenter found a new place to explore: the ocean floor.

Poll: Health Care Rollout Underwhelming

WASHINGTON (AP) — The debut of the government's health insurance marketplaces drew a huge audience - and underwhelming reviews.

Just 7 percent of Americans say the rollout of the health exchanges has gone extremely well or very well, according to an AP-GfK poll.

The reaction was somewhat better among supporters of the new health care law, but still middling: 19 percent said the

rollout went extremely well or very well. Among the uninsured — a key audience for the health exchanges — 42 percent said they didn't know enough to judge

how well the rollout had gone, suggesting an ongoing lack of awareness about the program in its early days. Despite the bumpy rollout, plenty of Americans are giving

Ex-Detroit Mayor Kilpatrick Sentenced

DETROIT (AP) — A former Detroit mayor was sent to federal prison for nearly three decades Thursday, after offering little remorse for the widespread corruption under his watch but acknowledging he let down the troubled city during a critical period before it landed in bankruptcy.

Prosecutors argued that Kwame Kilpatrick's "corrupt administration exacerbated the crisis" that Detroit now finds itself in. A judge agreed with the government's recommendation that 28 years in prison was appropriate for rigging contracts, taking bribes and putting his own price on public business. It is one of the toughest penalties doled out for public cor-

ruption in recent U.S. history and seals a dramatic fall for Kilpatrick, who was elected mayor in 2001 at age 31 and is the son of a former senior member of Congress.

While Detroit's finances were eroding, he was getting bags of cash from city contractors, kickbacks hidden in the bra of his political fundraiser and private cross-country travel from businessmen, according to trial evidence.

Kilpatrick, 43, said he was sorry if he let down his hometown but denied ever stealing from the citizens of Detroit.

Jury Finds Toyota Not Liable In Incident

LOS ANGELES (AP) — A jury says Toyota Motor Corp. is not liable for the death of a California woman who was killed when her 2006 Camry apparently accelerated and crashed despite her efforts to stop.

Toyota spokeswoman Carly Schaffner says jurors reached their decision Thursday and concluded the vehicle's design didn't contribute to the death of Noriko Uno. She died in August 2009 when her car struck a telephone pole and tree.

The outcome of the bellwether case could help predict whether Toyota Motor Corp. will be held responsible for sudden unintended acceleration in other cases filed in state

Uno's family was seeking \$20 million in damages, claiming that the crash could have been avoided if Toyota had installed a brake override system.

The Japanese automaker blamed driver error.

Washington's **Egypt Aid Freeze Stirs Anti-American Sentiment**

CAIRO (AP) - Washington's decision to withhold millions of dollars in mostly military aid to Egypt is fueling anti-U.S. sentiment and the perception that Washington supports Mohammed Morsi, the Islamist president the military ousted in a July

That could boost the popularity of the military chief, Gen. Abdel-Fattah el-Sissi, whom the U.S. is trying to pressure to ensure a transition to democracy and ease the fierce crackdown on Morsi's Muslim Brotherhood.

The aid freeze could also embolden Morsi's supporters to intensify their campaign of street protests in the belief that the military-backed government is losing the goodwill of its top foreign backer. The protests, met by a fierce response by security forces that has left hundreds dead, have kept the new government from tackling Egypt's pressing problems after 2 1/2 years of turmoil.

Still, Egypt's militarybacked government is unlikely to abandon the road map it announced when Morsi was removed in a July 3 coup — to amend the nation's Islamist-tilted constitution and put the changes to a nationwide vote before the end of the year, and hold parliamentary and presidential ballots in early 2014.

"Egypt is not so desperate that it needs to compromise on its political agenda," the U.S.-based global intelligence firm, Stratfor, wrote this

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