White House, Congress Talk as 'Fiscal Cliff' Nears

An end of the year deadline rapidly approaching, President Barack Obama and Republican House Speaker John Boehner conferred briefly Wednesday night on how to avert the economy-rattling "**fiscal cliff**," their first one-on-one discussion in five days.

Obama and Boehner's 15-minute phone call came amid increasing anxiety that the White House and top Republicans are wasting time needed to negotiate a way out of a series of tax increases and spending cuts due to begin in January. Treasury Secretary Timothy Geithner and senior White House aide Rob Nabors were also to visit separately Thursday with the four leaders of the House and Senate.

There has been little evident progress in negotiations between the two sides. Republicans complain that the White House is slow-walking the talks and has yet to provide specifics on how Obama would curb the rapid growth of benefit programs like Medicare and Medicaid.

"We have not seen any good-faith effort on the part of this administration to talk about the real problem that we're trying to fix," said House Majority Leader Eric Cantor, R-Va.

Obama is mounting a public campaign to build support and leverage in the negotiations, appearing at the White House with middle-class taxpayers and launching a campaign on Twitter to bolster his position.

"Right now, as we speak, Congress can pass a law that would prevent a tax hike on the first $250,000 of everybody's income," Obama said. "And that means that 98 percent of Americans and 97 percent of small businesses wouldn't see their income taxes go up by a single dime."

Obama is insisting that tax rates go up on family income exceeding $250,000; Boehner is adamant that any new tax revenues come from overhauling the tax code, clearing out tax breaks and lowering rates for all.

Republicans are also demanding significant cuts to so-called entitlement programs like Medicare, such as an increase in the eligibility age for the program from 65 to perhaps 67.

“It’s time for the president and Democrats to get serious about the spending problem that our country has,” Boehner said at a news conference Wednesday in the Capitol. Boehner, like Obama, expressed optimism that a deal could be reached.

At issue are steep, across-the-board cuts to the Pentagon and domestic programs set to strike the economy in January as well as the expiration of Bush-era tax cuts on income, investments, married couples and families with children. That combination of tax increases and spending cuts would wring more than half a trillion dollars from the economy in the first nine months of next year, according to the Congressional Budget Office.

No one anticipates a stalemate lasting that long, but many experts worry that even allowing the spending cuts and tax increases for a relatively brief period could rattle financial markets.

From their public statements, Obama and Boehner appear at an impasse over raising the two top tax rates from 33 percent and 35 percent to 36 percent and 39.6 percent. Democrats seem confident that Boehner ultimately will have to crumble, but Obama has a lot at stake as well, including a clear agenda for priorities like an overhaul of the nation’s immigration laws.

Obama is also meeting privately Thursday with his defeated Republican rival Mitt Romney. The president has cast his victory over Romney as a sign that Americans back his tax proposals, which were a centerpiece of his re-election campaign.

While in Washington, Romney will also meet with his former running mate, Rep. Paul Ryan. The Wisconsin congressman is chairman of the House Budget Committee and deeply involved in the fiscal cliff discussions.

___

Associated Press writer Julie Pace contributed to this report.