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# Panetta to bring discipline, savvy to Pentagon

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### By Steve Holland and Susan Cornwell

WASHINGTON (Reuters) - President Bill Clinton ran a pretty loose White House with long, inconclusive meetings -- until Leon Panetta showed up as his new chief of staff.

Panetta, now the CIA director who is set to be nominated as defense secretary on Thursday, will bring discipline, political savvy and keen budget skills to his new job.

Brought in to organize the famously undisciplined Clinton White House in 1994, just before Republicans ousted Democrats from control of the House of Representatives, Panetta made clear there was a new sheriff in town.

"The shift from a relaxed, almost open-door policy in the Oval Office to much more restricted access was quite abrupt," said Clinton White House veteran Bill Galston. "I won't say he threw his body across the railroad tracks to keep people from coming in but it was pretty close."

In moving to the Pentagon as the replacement for Defense Secretary Robert Gates, Panetta will see his budget skills coming in handy as the military's massive budget comes under increased scrutiny from lawmakers looking for places to cut.

Panetta's ability to survive the rough-and-tumble CIA, having gained the loyalty and respect from many in the intelligence community, is a sign of his political skills.



Back in 1990 as chairman of the House Budget Committee, Panetta was one of the Democratic House members who negotiated with President George H.W. Bush's White House chief of staff, John Sununu, to reach a budget agreement to cut the deficit.

The agreement led Bush to violate his "read my lips, no new taxes" pledge, which disappointed Republicans and helped Clinton win the presidency in 1992.

Born to Italian immigrants in Monterrey, California, Panetta began public life as a moderate Republican, working for a time in the Nixon administration, but concluded in the 1970s there was no place in the party for him and became a Democrat.

He won a House seat as a Democrat and rose to become chairman of the Budget Committee, where the hours were long.

"He could always tell you what (late-night TV comic) Johnny Carson had done the night before because he was sitting at his desk signing constituent mail," said Barry Toiv, who worked for Panetta for 19 years in various capacities, including at the Clinton White House.

After 16 years in the House, he was picked as Clinton's first budget director and later took on the chief of staff job.

"No one in Washington has a better understanding of both ends of Pennsylvania Avenue than Leon Panetta and no one has earned greater respect at both ends," Clinton once said of Panetta.

One Democratic congressional aide said he thought Panetta's work at the CIA would help him go over well among senators who will consider his nomination for the Pentagon post.

But Christopher Preble of the CATO Institute said Panetta's experience as director of the Office of Management and Budget in the Clinton administration may be more relevant.

Gates "effectively shielded the Pentagon from spending cuts but that merely postponed the reckoning that Panetta will have to confront," Preble said.

### (Editing by John O'Callaghan and Bill Trott)

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