

Obama Warming To Congressional Job-Boosting Bill

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WASHINGTON (AP) — President Barack Obama's options for spurring job growth may be limited by out-of-control budget deficits, but with the unemployment rate hovering at 10 percent he is warming to moves by his congressional allies for a jobs-boosting bill.

Obama got some encouraging news Friday, with the government reporting that job losses in November fell to the smallest number since the recession's start and the jobless rate dropped, from 10.2 percent in October to 10 percent last month.

But with unemployment still expected to remain achingly high for months, Obama was taking his defense of the economy on the road Friday. The president scheduled appearances in Pennsylvania to showcase innovative businesses following Thursday's White House jobs forum. That event combined cheerleading and brainstorming as Obama exhorted more than 100 CEOs, academics, small business and union leaders and local officials to focus on new ways to get businesses hiring again.

At the forum, the president spoke favorably of an expanded program to help make more U.S. homes energy efficient and mentioned trade measures and new tax incentives as being among ways to stop job losses that are the worst since the 1930s.

"We cannot hang back and hope for the best," Obama said. "What I'm interested in is taking action right now."

But, mindful of growing anxiety about federal deficits, Obama also said it is primarily up to the private sector to create large numbers of new jobs rather than the government embarking on a costly jobs creation program.

He said that while he's "open to every demonstrably good idea ... we also though have to face the fact that our resources are limited."

The appetite for debt-financed jobs legislation is far higher on Capitol Hill, where House Speaker Nancy Pelosi, D-Calif., said Congress will extend several items in February's \$787 billion economic stimulus measure. Pelosi wants more money for roads and bridges and to save the jobs of firefighters, teachers and other public employees. She also promised help for small businesses reeling from a credit crunch.

After talks with Treasury Secretary Timothy Geithner and other administration officials, congressional Democrats are eying up to \$70 billion in unused borrowing

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authority from last year's \$700 billion Wall Street bailout for jobs-related legislation, two House Democratic aides said. The aides required anonymity to describe the private talks.

Democrats say the Troubled Assets Relief Program money would "pay for" any jobs bill. But the move is largely cosmetic since tapping the bailout money would require issuing billions of dollars in new federal debt. The White House had hoped to lower deficit projections by not using the full \$700 billion in TARP authority approved during last year's economic meltdown.

Pelosi said the jobs measure would come on top of a "safety net" initiative that would again extend unemployment payments for those whose benefits have run out and renew a program that offers the jobless a 65 percent subsidy for health insurance premiums under the COBRA program. The safety net measure, while costly, is expected to pass later this month as part of an unrelated spending bill, but the jobs legislation is likely to have to wait until next year.

One new idea Democrats and the White House are looking at is a program to give people cash incentives to retrofit their homes with energy-saving materials along the lines of the Cash for Clunkers program that boosted car sales this summer.

Dropping in on a session called "Innovative Agenda and Green Jobs of the Future," Obama said, "Not to tip our hand too much, but one of the things I would be surprised if we don't end up moving forward on is an aggressive agenda for energy efficiency and weatherization. Because that is an area where we can get it up and running relatively quickly. You don't need new technologies."

Obama cited the success of Cash for Clunkers, noting that car companies carried much of the marketing responsibilities that helped make the effort so popular. Home improvement companies like Home Depot would be key as partners in any future jobs program focusing on energy efficiencies, Obama told company chairman Frank Blake.

The president's critics, though, gave no ground. As Obama prepared to visit Allentown, Pa., former GOP House Speaker Newt Gingrich's policy organization placed an ad in the local newspaper asking: "Mr. President, Will you listen to America's job creators?"

The group, American Solutions, urged the president to cut the estate tax, reduce federal spending, give small businesses incentives to grow and abolish taxes on investment income.

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