Obama To Visit Ohio, Celebrate Auto Industry's Rebound

Jim Kuhnhenn, Associated Press

WASHINGTON (AP) — President Barack Obama is drawing attention to the auto industry's rebound, visiting a Chrysler plant in politically important Ohio as he seeks to highlight a rare bright spot in the sluggish economic recovery.

Obama was to travel to Toledo on Friday, making the latest in a string of domestic trips to promote his economic agenda and defend the much maligned government bailouts to Chrysler and General Motors. The president planned to speak to plant workers and local business owners about the significance of the industry's turnaround.

The trip comes as the government prepares to announce May unemployment figures amid signs that hiring may be slowing. As the Republican presidential field begins to take shape, the White House is keenly aware that Obama's handling of the economy generates some of his highest public disapproval ratings.

"We have said from the beginning that the road out of the dark place we were in when this president took office in terms of the economic recession, the depths of the recession we were in, was not going to be smooth every step of the way," White House spokesman Jay Carney said.

The Bush and Obama administrations spent $80 billion to bail out General Motors and Chrysler and help guide them through bankruptcy. The Obama administration says it will recoup more than 80 percent of that and Obama intends to defend the bailouts as money well spent.

A report by the president's National Economic Council this week said the taxpayers' loss from the bailout will be about $14 billion. The Treasury Department initially had expected losses closer to 60 percent.

Chrysler last week announced it would be paying off its remaining loans to the U.S. and Canadian governments ahead of schedule. And late Thursday, Treasury announced a deal to sell its remaining stake in Chrysler for $560 million to Italian automaker Fiat. That still means that of the $12.5 billion Treasury used to bail out Chrysler, about $1.3 billion will not be recouped, Treasury said.

GM received $49.5 billion in the U.S. bailout, and the federal government has recovered about half of that by selling a portion of its ownership stake in the company. It intends to sell its remaining 26.5 percent share of the company at a later time.

GM, Chrysler and Ford had been reporting significant increases in sales, but the

industry this week reported a falloff in May.

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