

Obama To Propose \$300B To Jump-Start Jobs

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WASHINGTON (AP) — The economy weak and the public seething, President Barack Obama is expected to propose \$300 billion in tax cuts and federal spending Thursday night to get Americans working again. Republicans offered Tuesday to compromise with him on jobs — but also assailed his plans in advance of his prime-time speech.

In effect, Obama will be hitting cleanup on a shortened holiday week, with Republican White House contender Mitt Romney releasing his jobs proposals on Tuesday and front-running Texas Gov. Rick Perry hoping to join his presidential rivals Wednesday evening on a nationally televised debate stage for the first time.

Lawmakers began returning to the Capitol to tackle legislation on jobs and federal deficits in an unforgiving political season spiced by the 2012 presidential campaign.

Adding to the mix: A bipartisan congressional committee is slated to hold its first public meeting on Thursday as it embarks on a quest for deficit cuts of \$1.2 trillion or more over a decade. If there is no agreement, automatic spending cuts will take effect, a prospect that lawmakers in both parties have said they would like to avoid.

According to people familiar with the White House deliberations, two of the biggest measures in the president's proposals for 2012 are expected to be a one-year extension of a payroll tax cut for workers and an extension of expiring jobless benefits. Together those two would total about \$170 billion.

The people spoke on the condition of anonymity because the plan was still being finalized and some proposals could still be subject to change.

The White House is also considering a tax credit for businesses that hire the unemployed. That could cost about \$30 billion. Obama has also called for public works projects, such as school construction. Advocates of that plan have called for spending of \$50 billion, but the White House proposal is expected to be smaller.

Obama also is expected to continue for one year a tax break for businesses that allows them to deduct the full value of new equipment. The president and Congress negotiated that provision into law for 2011 last December.

Though Obama has said he intends to propose long-term deficit reduction measures to cover the up-front costs of his jobs plan, White House spokesman Jay Carney said Obama would not lay out a wholesale deficit reduction plan in his speech.

In a letter to Obama on Tuesday, House Speaker John Boehner and Majority Leader Eric Cantor outlined possible areas for compromise on jobs legislation. Separately, Senate Majority Leader Harry Reid said last month's unemployment report — it

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showed a painfully persistent 9.1 percent jobless rate and no net gain of jobs — "should be a wakeup call to every member of Congress."

Whatever the potential for eventual compromise on the issue at the top of the public's agenda, the finger pointing was already under way.

Senate Republican leader Mitch McConnell predicted Obama's Thursday night speech to Congress on jobs legislation would include "more of the same failed approach that's only made things worse over the past few years."

He spoke a few moments after Reid had said that Republicans, rather than working with Democrats to create job-creating legislation, insist on "reckless cuts to hurt our economic recovery."

The Senate returned to Capitol Hill on Tuesday after an August recess. The House comes back Wednesday.

Left largely ignored in the latest political remarks was a remarkable run of late-summer polls that show the country souring on Obama's performance — and on Congress' even more.

A Washington Post-ABC survey released Monday found that 60 percent of those polled expressed disapproval of Obama's handling of the economy. Thirty-four percent said his proposals were making the situation worse and 47 percent said they were having no effect — dismal soundings for a president headed into a re-election campaign.

Only 19 percent said the country was moving in the right direction.

Not that Republicans, or Congress as a whole, are in good odor with the voters.

The Post-ABC News poll found only 28 percent approval for the job the Republicans are doing, and 68 percent disapproval.

An AP-GfK survey last month put overall support for Congress at 12 percent — the lowest level ever in the survey's history.

The tea party has also been hurt, according to the same poll, which found that 32 percent of those surveyed have a deeply unfavorable impression of the movement that helped give Republicans control of the House in the 2010 elections.

In their letter to Obama, Boehner and Cantor wrote that neither party would win all it wants from the coming debate over jobs legislation. "We should not approach this as an all-or-nothing situation," they said, striking a conciliatory tone in the first moments of a post-summer session of Congress.

But it was unclear what, if any, concessions they were prepared to make.

"We are not opposed to initiatives to repair and improve infrastructure," they wrote,

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saying they favor repeal of a current requirement for 10 percent of highway funds to be spent on items such as museums or bike trails.

But they did not say they would support any additional funding for construction, and aides declined to provide any additional details.

Boehner and Cantor also said the House was ready to pass free trade agreements negotiated with Colombia, Panama and South Korea measures, which they noted the White House estimates would create 250,000 jobs.

The administration wants the trade deals approved simultaneously with legislation to provide job training and other benefits for workers who lose their job to imports, and the letter from the Republican leaders promised they would consider such measures rather than pledging to pass them.

There was maneuvering on another front during the day.

Democrats won approval in a Senate subcommittee for legislation adding \$6 billion in spending to pay victims of Hurricane Irene and past disasters dating to Hurricane Katrina, including \$4 billion for the 2012 budget year.

Republicans did not object, even though the legislation did not include other cuts to offset the cost and the new spending would exceed levels permitted in a sweeping compromise passed last month to cut future deficits by nearly \$1 trillion over a decade.

It is unclear when the measure will come to the Senate floor, and whether Republicans will attempt to offset the increase when it does.

In comments in recent weeks, Cantor has said any increase must be offset.

For his part, Romney chose Nevada, where unemployment stood at a nationwide high of 12.9 percent in July, for a campaign speech in which he outlined numerous proposals to create jobs.

He called for lowering the maximum corporate tax from 35 percent to 25 percent and abolishing the tax on dividends and investment earnings for anyone making less than \$200,000 a year. He also said any new government regulation that raises costs for businesses should be accompanied by other steps to reduce the burden by an identical amount.

"America should be a job machine, jobs being created all the time," he said.

The elements Romney outlined — lower taxes and less regulation — are the same as those advanced by Republicans in Congress.

McConnell said Republicans "will spend the next weeks and months arguing in favor of a robust legislation agenda aimed at blocking or repealing some of the most pernicious rules and regulations."

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