Obama Takes Economy Message To Corporate Leaders

Jim Kuhnhenn, Associated Press

WASHINGTON (AP) — President Barack Obama, facing a budget showdown with Congress, is pushing his economic agenda to some of the nation's top corporate executives while cautioning Republicans not to precipitate a government shutdown or an unprecedented debt default.

Obama was to speak to the Business Roundtable on Wednesday, drawing attention to a modest economic recovery that he says would be hurt if Republican lawmakers can't work with Democrats to pass a stopgap spending measure to keep the government operating after the fiscal year ends Sept. 30.

After that, Congress must find a way to raise the current $16.7 trillion borrowing limit, expected to hit its ceiling sometime in mid- to late October.

Obama has been using the fifth anniversary of the nation's financial near-meltdown this week to make his case, delivering an economic address at the White House on Monday and scheduling a trip to a Ford Motor Co. plant near Kansas City, Mo., on Friday to illustrate the comeback of the auto industry.

Republicans in the GOP-controlled House want to tie continued spending to defunding or delaying Obama's signature health care law.

The White House said Obama would specifically ask the corporate leaders to deliver a message to Congress that a default would hurt businesses. Obama was expected to blame what the White House calls "extreme members of the Republican Party" for the threats.

The White House said Obama would note that during the last debt ceiling fight in 2011, the brinkmanship caused the stock market to plunge, prompted Standard & Poor's to downgrade the U.S. credit rating and resulted in a plunge in consumer confidence.

Obama insists he won't negotiate to raise the debt ceiling, though the talks in 2011 yielded a deficit-cutting bargain. The White House especially rejects any attempt to defund or delay the health care law.

Republican leaders note that it's not unusual for debt ceiling increases to be tied to budget deals, though several borrowing limits during past administrations have been raised with few or no strings attached.

"No one is threatening to default," said Brendan Buck, a spokesman for House Speaker John Boehner, R-Ohio. "The president only uses these scare tactics to avoid

having to show the courage needed to deal with our coming debt crisis. Every major deficit deal in the last 30 years has been tied to a debt limit increase, and this time should be no different."

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