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Health Bill Stalled, Obama Juggles an Altered Agenda

By [CARL HULSE](#) and [SHERYL GAY STOLBERG](#)

WASHINGTON — The White House on Thursday signaled the outlines of its strategy for breaking the partisan logjam holding up [President Obama](#)'s agenda, saying Democrats would move quickly to underline their commitment to fixing the broken economy and to build an election-year case against Republicans if they do not cooperate.

With Mr. Obama's health care overhaul stalled on Capitol Hill, [Rahm Emanuel](#), the White House chief of staff, said in an interview that Democrats would try to act first on job creation, reducing the deficit and imposing tighter regulation on banks before returning to the health measure, the president's top priority from last year.

But Mr. Obama quickly got a taste of how difficult it would be to bring the opposition party on board.

One day after the president upbraided Congress in his [State of the Union address](#) for excessive partisanship, Senate Republicans voted en masse against a plan to require that new spending not add to the deficit (it passed anyway as all 60 members of the Democratic caucus hung together). And some Republicans peremptorily dismissed Mr. Obama's main job-creating proposal, expressing no interest in using \$30 billion in bank bailout money for business tax credits.

"I think there is a right way and a wrong way to do it, and that is not the right way," said Senator [John Cornyn](#), the Texas Republican heading the effort to elect more Republicans to the Senate.

On Friday, Mr. Obama will travel to Baltimore to announce specifics of his jobs plan, including a proposed \$5,000 tax credit for small businesses for each new employee they hire in 2010. While there, he will address House Republicans at a retreat they are holding.

The instant Republican resistance to the jobs plan — coupled with a vote this week to kill a deficit-reduction panel that had been initiated with high bipartisan hopes — illustrated the chasm between the two parties and the difficulties Mr. Obama faces if he is serious about trying to work with an energized opposition.

Increasingly confident of their prospects after the Massachusetts Senate victory, Republicans are disinclined to give ground in policy debates and appear willing to stick with their near-unanimous opposition to major initiatives unless Democrats offer significant concessions.

“House Republicans will seize the opportunity in respectful terms, but candid and frank terms, and make it clear to the president that we have better solutions,” said Representative [Mike Pence](#) of Indiana, the chairman of the House Republican Conference.

The administration showed no signs of capitulating either, with officials saying the White House will pursue a strategy of trying to shame Republicans whenever they stand in lock-step against Mr. Obama. In an interview Thursday, Mr. Emanuel warned that Republicans would suffer politically for their opposition to the pay-as-you-go plan.

“One party was for fiscal discipline, the other party wasn’t,” he said, previewing a message that Democrats could use in this year’s midterm elections.

Officials said they were pressing ahead with one of the more controversial items Mr. Obama laid out Wednesday night: repealing the policy barring gay men and lesbians from serving openly in the military.

Senior Pentagon officials said Defense Secretary [Robert M. Gates](#) and Adm. [Mike Mullen](#), the chairman of the [Joint Chiefs of Staff](#), had been in close discussions with Mr. Obama on the issue and would present the Pentagon’s initial plans for carrying out the new policy at a hearing before the Senate Armed Services Committee on Tuesday.

Changing the policy requires an act of Congress, and the officials signaled that Mr. Gates would go slowly, and that repeal of the ban was not imminent. And it could be a hard sell for the president, even among Democrats; Representative Ike Skelton of Missouri, chairman of the House Armed Services Committee, on Thursday restated his opposition to repealing the ban.

Mr. Emanuel, the chief of staff, said he hoped Congressional Democrats would take up the jobs bill next week. Then, in his view, Congress would move to the president's plan to impose a fee on banks to help offset losses to the [Troubled Asset Relief Program](#), the fund used to bail out banks and automakers.

Lawmakers would next deal with a financial regulatory overhaul, and then pick up where they left off on health care. "All these things start and lead to one place: J-O-B-S," Mr. Emanuel said.

The execution, of course, will be much easier said than done. Democrats are about to lose their 60-vote supermajority in the Senate, after the recent Republican victory by [Scott Brown](#) in a special election to fill the seat held by the late [Edward M. Kennedy](#) of Massachusetts. In the Senate, Republicans have come under intense pressure from their colleagues to stay in the fold.

Even some of Mr. Obama's allies said that given united Republican opposition, the goal of more cooperation might be out of reach. "In order to dance, you need a dance partner and there ain't no partner out there," Senator [Bernard Sanders](#), a Vermont independent, noted.

A vote this week on a proposal to create a bipartisan commission to recommend ways to attack rising federal deficits was seen as illustrative of the Republican strategy to thwart Democrats. Though the idea attracted 53 votes — 36 Democrats, one independent and 16 Republicans — it failed because it did not cross the 60-vote threshold.

At least six Republicans who had previously supported the plan voted against it, as did others who have backed the idea in concept. Some of those who voted against the plan suggested they did so because they did not want to give Democrats political cover by joining with them in a deficit reduction effort.

"It was stacked," Senator [John McCain](#), Republican of Arizona, told reporters in explaining his rationale for switching from a supporter to an opponent of the commission.

Some leading Republicans say they believe there is still an opportunity for the administration, Congressional Democrats and Republicans to find ways to work together. But they say it would require a concerted outreach effort and the White House abandoning the idea of wooing a few individual Republican senators.

“I am astonished that the White House’s idea of working in a bipartisan way is this shooting gallery method, going around and seeing if you can pick off one or two or three,” said Senator [Lamar Alexander](#) of Tennessee, a member of the Republican leadership.

Other Republicans say Mr. Obama should convene a summit of Congressional Republican leaders.

“If the president reaches out to the Republican leadership in a genuine way, the spotlight shifts from his overreaching to whether we can meet him in the middle,” said Senator [Lindsey Graham](#), Republican of South Carolina.

Congressional Democrats say they are pessimistic about cooperation. Using their power of 60 for one of the final times, Democrats did secure approval of the antideficit legislation Thursday on a straight 60-40 party-line vote but interpreted the united Republican opposition as a sign that Republicans were not moved by the president’s appeal.

Elisabeth Bumiller contributed reporting.

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