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Making Case for Jobs Bill, Obama Cites Europe's Woes

By JACKIE CALMES

WASHINGTON — In perhaps his most sober remarks about the economy this year, [President Obama](#) on Thursday described the weakening economy as “an emergency” and made the case for his jobs bill as “an insurance policy against a possible double-dip [recession.](#)”

“Our economy really needs a jolt right now,” Mr. Obama said at the White House, in an abruptly scheduled morning news conference timed to pressure Republicans before the Senate begins debate on his bill, which is scheduled for next week.

“This is not the time for the usual political gridlock,” the president added. “The problems Europe is having today could have a very real effect on our economy at a time when it’s already fragile.”

Mr. Obama repeatedly cited the findings of independent economists that his \$447 billion package, which calls for tax cuts, public works spending and federal aid to reduce teacher layoffs, would reduce unemployment and bolster economic growth. He challenged Republicans to offer a plan that likewise could be assessed by outside analysts and win similarly good marks. And Mr. Obama said that if his full plan fails, Democrats will press for votes on its individual parts.

Timothy F. Geithner, the treasury secretary, echoed Mr. Obama in testimony on Capitol Hill, and said

the jobs bill could help increase business and consumer confidence.

The White House scheduled the news conference not only to set up next week's Senate debate but also to get in front of Friday's release of September employment numbers. The report is expected once again to show job growth too anemic to significantly reduce a jobless rate that has hovered at 9 percent.

For all of Mr. Obama's pressure over the past month — a speech to a joint session of Congress, coast-to-coast travel and a pugnacious new stump style — prospects for the jobs plan remain uncertain. Republicans, who control the House and can **filibuster** bills in the Senate if they remain united, generally oppose the plan; they say temporary tax cuts and spending will not create jobs, and they oppose raising taxes on affluent individuals and corporations.

To allay the concerns of Senate Democrats, Mr. Obama said that he could support their proposal to pay for the jobs plan by imposing a 5.6 percent surtax on individual taxpayers' income above \$1 million. A number of Senate Democrats had objected to Mr. Obama's proposals to offset the cost of his plan by limiting tax deductions, including for charitable contributions, that could be taken by individuals making more than \$200,000 and couples making more than \$250,000. And oil-state Democrats opposed his plans to increase oil companies' taxes.

Even as Mr. Obama took reporters' questions, Speaker John A. Boehner, Republican of Ohio, rebuked him for his more confrontational tack. "Nothing has disappointed me more than what's happened over the last five weeks, to watch the president of the United States give up on governing, give up on leading and spend full-time campaigning," Mr. Boehner said during a public forum in Washington.

Mr. Obama, when asked by a reporter whether he should be talking to Congressional Republicans rather than traveling the country like a presidential candidate, responded that he had tried repeatedly to compromise with Republicans. His efforts, he said, were "sometimes to my own political peril and to the frustration of Democrats," and Republicans rebuffed him even when he offered ideas, like business tax cuts, that Republicans had proposed in the past.

“What I’ve done over the last several weeks is to take the case to the American people so that they understand what’s at stake,” he said. “It is now up to all the senators, and hopefully all the members of the House, to explain to their constituencies why they would be opposed to common-sense ideas that historically have been supported by Democrats and Republicans in the past.”

The president even returned to the point, unbidden, when he closed the 74-minute news conference. “I would love nothing more,” he said, “than to see Congress act so aggressively that I can’t campaign against them as a do-nothing Congress.”

In prodding Republicans, Mr. Obama plainly had in mind the small number of moderates in the party who might join with the 53 Senate Democrats and independents to get to 60 voters and overcome a filibuster. Citing examples of how he believed his jobs plan would help, he named a Boston teacher with long experience and a master’s degree, who has been laid off three times because of budget cuts in Massachusetts — the home of Senator Scott P. Brown, a Republican facing a re-election race next year. Mr. Obama also cited a bridge that he said was falling apart in Maine, which is represented by two Republican senators, Olympia J. Snowe and Susan Collins.

Republicans have not produced any alternative jobs bills, reflecting their arguments that past stimulus measures have not worked. Instead, they say that to create jobs it is crucial to roll back federal regulations, pass free-trade bills and cut spending.

Mr. Obama said that while he agreed with some of the Republicans’ proposals — for example, he recently sent three trade bills to Congress for its approval — he said they would not help the economy in the short term. Economists at private-sector forecasting firms agreed.

While economic forecasts are not definitive, in that they are predictions, Macroeconomic Advisers, a St. Louis-based firm that the Federal Reserve often uses, has projected that the Obama jobs plan could increase economic growth by 1.25 percentage points and add 1.3 million jobs in 2012. Moody’s Analytics, another firm, has estimated it would add two percentage points and up to 1.9 million jobs.

Joel Prakken, chairman of Macroeconomic Advisers, said Republicans had “reasonable ideas” but not ones that could be measured by the firm’s forecasting model. He said he believed the proposals “would have little immediate effect relative to a plan that stimulates aggregate demand” — that is, a plan like Mr. Obama’s, with tax cuts and spending programs.

Mark Zandi, chief economist at Moody’s Analytics, similarly said the Republican proposals “are generally good longer-term economic policy, but they won’t mean much for the economy and job market in the next year.” He continued: “Given the high odds of another recession in the next few months, it is vital for Congress and the administration to provide some near-term support to the economy.”

By confirming that he would embrace the Senate Democrats’ proposal for a millionaires’ surtax, Mr. Obama tried to unify Democrats before the Senate debate on the jobs bill. Some senators, led by Charles E. Schumer of New York, had argued that Mr. Obama’s proposal to raise taxes on income above \$250,000 would hit too many taxpayers who are not truly rich.

“I’m fine with the approach that they’re taking,” Mr. Obama said. But he added that he still wanted Congress to overhaul the tax code to close loopholes and many tax breaks so that the new revenues could be used both to lower tax rates and to reduce annual budget deficits.

The Democrats’ agreement on the proposed surcharge suggested that Mr. Obama could have trouble later keeping a prominent campaign promise: to let the Bush-era tax rates expire after 2012 for households with taxable income exceeding \$250,000. As Republicans pointed out, the Senate Democrats’ stance indicated they would oppose letting taxes rise for individuals with incomes under \$1 million.

In the Senate, the Republican minority leader, Mitch McConnell, tried for the second time this week to force a vote on Mr. Obama’s jobs plan immediately, given Democrats’ acknowledgment that they do not have the 60 votes needed to pass it. But he failed again on a procedural vote. Instead the Senate is

expected to take up the Democratic jobs package on Tuesday.

Jennifer Steinhauer contributed reporting.



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