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Obama Sends Pro-Business Signal With Adviser Choice

By SHERYL GAY STOLBERG

SCHENECTADY, N.Y. — **President Obama**, sending another strong signal that he intends to make the White House more business-friendly, named a high-profile corporate executive on Friday as his chief outside economic adviser, continuing his efforts to show more focus on job creation and reclaim the political center.

Here in the birthplace of **General Electric**, Mr. Obama introduced the new appointee, **Jeffrey R. Immelt**, the company's chairman and chief executive officer, who will serve as chairman of his outside panel of economic advisers. Mr. Immelt succeeds **Paul A. Volcker**, the former Federal Reserve chairman, who is stepping down.

The selection of Mr. Immelt, who was at Mr. Obama's side during his trip to India last year, and again this week during the visit of President **Hu Jintao** of China, is the latest in a string of pro-business steps taken by the president. He has installed **William M. Daley**, a former **JPMorgan Chase** executive, as his chief of staff; is planning a major speech to the **U.S. Chamber of Commerce** next month; and just this week ordered federal agencies to review regulations with an eye toward eliminating some.

Together, the moves amount to a carefully choreographed shift in strategy for the White House, both

substantively and on the public relations front. Mr. Obama has started making the case that the United States has moved past economic crisis mode and is entering “a new phase of our recovery,” which demands an emphasis on job creation.

And with corporate profits healthy again, the president has begun engaging business leaders more on what it will take for them to start investing again in new plants and equipment and stepping up hiring.

As he moves into the second half of his term and lays the foundation for his 2012 re-election campaign, Mr. Obama is trying to frame the national conversation on the economy around this crisis-to-job-creation narrative. Republicans, who have spent their first weeks of the new Congress talking about repealing Mr. Obama’s health care bill and cutting federal spending, have given the president an opening to do so.

The themes the president struck here, on competitiveness and the turning point in the economy, are expected to be at the heart of the [State of the Union address](#) he will deliver Tuesday.

“The past two years were about pulling our economy back from the brink,” Mr. Obama said, standing against the backdrop of a huge generator in a well-lighted plant, with a giant American flag hanging from the ceiling.

“The next two years, our job now is putting our economy into overdrive.”

He went on, “Our job is to do everything we can to ensure that businesses can take root and folks can find good jobs and America is leading the global competition that will determine our success in the 21st century.”

It is not clear how much substantive influence Mr. Immelt’s new role will give him. Under Mr. Volcker, the panel met relatively infrequently, and Mr. Volcker at times appeared frustrated by a lack of access to the inner circles of White House decision-making.

The appointment of Mr. Immelt, who will retain his posts at G.E., is not without complications for Mr.

Obama. G.E., one of the nation's largest companies, routinely has a wide variety of regulatory, trade, contracting and other issues before the federal government, on matters as varied as television mergers, military hardware and environmental cleanup.

During the 2008 financial crisis, the Federal Reserve provided \$16.1 billion to General Electric by buying short-term corporate i.o.u.'s from the company at a time when the public market for such debt had nearly frozen. Having the chief executive of such a company advising the White House on job creation at a time when Mr. Obama is assuming a more deregulatory posture could further alienate liberals and be seen as undermining the White House's commitment to reducing the influence of lobbyists and special interests.

Another complicating factor is union uneasiness about outsourcing by G.E. Officials at the [United Electrical Workers Union](#) say the company has closed 29 plants in the United States and one in Canada in the past two years, eliminating more than 3,000 jobs.

"We understand the logic of asking someone like that to step up and play a leading role," said Damon Silvers, the policy director for the AFL-CIO. "But there's a real tension there in making a G.E. executive a central figure thinking about U.S. jobs."

But Gary Sheffer, a General Electric spokesman, said the company has also been shifting operations back to the United States, and has added 6,000 jobs in this country, for a net increase. For example, Mr. Sheffer said, G.E. is moving all of its refrigerator manufacturing business back to the United States. He said 60 percent of G.E.'s revenues come from outside the country.

At the same time, G.E.'s exports have roughly doubled in the past five years, which makes the company a good showcase for a president who is trying to promote trade and exports as a way to repair the battered economy. Exports were a major theme of the president's India trip and the state visit by President Hu; Mr. Immelt was among the business leaders who attended a high-level meeting with Mr. Hu, as well as the state dinner at the White House on Wednesday.

General Electric is benefiting from Mr. Obama's emphasis on exports. When the president was in Mumbai, he announced a string of deals involving American companies, including a \$750 million order from Reliance Power Ltd., in Samalkot, India, for steam turbines manufactured by G.E. Those turbines will be made here in Schenectady, a point Mr. Obama drove home in his remarks.

"This plant is what that trip was all about," Mr. Obama said. "That new business halfway around the world is going to help support more than 1,200 manufacturing jobs and more than 400 engineering jobs right here in this community, because of that sale."

Mr. Immelt's White House job will be as chairman of the Council on Jobs and Competitiveness, a newly named panel that Mr. Obama is creating by executive order; the president said Friday that he intends to name additional members, including business and labor leaders and economists, "in the coming days."

The change in the council's name is intended to signify a shift in White House focus. It will be a reconfigured version of the board that Mr. Volcker led, the President's Economic Recovery Advisory Board, of which Mr. Immelt was a member.

That body, created by Mr. Obama when he took office in the thick of the worst economic crisis since the Great Depression, is set to expire Feb. 6.

Christine Hauser contributed reporting from New York.



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