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## Obama Turns to Job Creation, but Warns of Limited Funds

By [JACKIE CALMES](#)

WASHINGTON — After months of focusing on Afghanistan and health care, [President Obama](#) turned his attention on Thursday to the high level of joblessness, but offered no promise that he could do much to bring unemployment down quickly even as he comes under pressure from his own party to do more.

At a White House forum, scheduled for the day before the government releases unemployment and job loss figures for November, Mr. Obama sought new ideas from business executives, labor leaders, economists and others. Confronted with concern that his own ambitious agenda and the uncertain climate it has created among employers have slowed hiring, the president defended his policies.

Mr. Obama said he would entertain “every demonstrably good idea” for creating jobs, but he cautioned that “our resources are limited.”

The president said he would announce some new ideas of his own next week. One of those, he indicated when he participated in a discussion group on clean energy, would be a program of weatherization incentives for homeowners and small businesses modeled on the popular [“cash for clunkers”](#) program.

On Capitol Hill, [Ben S. Bernanke](#), the chairman of the [Federal Reserve](#), told senators at a sometimes testy hearing on his confirmation for a second term, “Jobs are the issue right now.”

“It really is the biggest challenge, the most difficult problem that we face right now,” Mr. Bernanke added, citing in particular the inability of many credit-worthy small businesses to get bank loans.

In the House, where lawmakers are particularly sensitive to the employment issue since they all face re-election next year, Democratic leaders on Thursday were finishing work on a jobs bill for debate this month. It would

extend expiring federal unemployment benefits for people who have been out of jobs for long periods, and provide up \$70 billion for roads and infrastructure projects and for aid to small business. House Democrats plan to pay for the plan by drawing from the \$700 billion fund set up last year to bail out financial institutions.

The House also passed legislation on Thursday that would freeze the federal tax on large estates at its current level. Under current law, the tax would have disappeared entirely next year, only to reappear at much higher levels in 2011. The vote highlighted the raft of fiscal issues facing the administration and Congress and the tension between addressing budget deficits and taking potentially expensive actions to help the economy.

Mr. Obama's jobs event captured the political and policy vise now squeezing the president and his party at the end of his first year. It came on the eve of a government report that is expected to show unemployment remaining in double digits, and two days after Mr. Obama emphasized as he ordered 30,000 additional troops to Afghanistan that he did not want the financial burdens of the war to overwhelm his domestic agenda.

Both the domestic and the military demands on the administration are raising costs unanticipated when Mr. Obama took office, even as pressures build to arrest annual budget deficits now exceeding \$1 trillion. Those demands are also eroding the broad support that swept Mr. Obama into office, especially among independent voters, and igniting a guns-versus-butter budget debate in his own party not seen since the Vietnam era.

While liberals are calling for ambitious job-creating measures along the lines of the New Deal and Republicans want to scale back government spending programs, Mr. Obama talked at the White House on Thursday of limited programs that he suggested could provide substantial bang for the buck when it comes to job creation. Among them was the weatherization program.

Called "cash for caulkers," it would enlist contractors and home-improvement companies like [Home Depot](#) — whose chief executive was on the panel — to advertise the benefits, much as car dealers did for the clunkers trade-ins this year.

Yet that relatively modest proposal underscores the limits of the government's ability to affect a jobless recovery with the highest unemployment rate in 26 years — and Mr. Obama acknowledged as much. Just as he said in Tuesday's Afghanistan speech that the nation could not afford an open-ended commitment there,

especially when the economy is so weak and deficits so high, Mr. Obama emphasized at the jobs forum that the government had already done a lot with his \$787 billion economic [stimulus package](#) and the \$700 billion financial bailout that he inherited.

“I want to be clear: While I believe the government has a critical role in creating the conditions for economic growth, ultimately true economic recovery is only going to come from the private sector,” he told his audience, which included executives and some critics from [American Airlines](#), [Boeing](#), [Nucor](#), [Google](#), [Walt Disney](#) and [FedEx](#).

Mr. Obama told the chief executives that he wanted to know: “What’s holding back business investment and how we can increase confidence and spur hiring? And if there are things that we’re doing here in Washington that are inhibiting you, then we want to know about it.”

He got a blunt answer from Fred P. Lampropoulos, founder and chief of [Merit Medical Systems Inc.](#), a medical device manufacturer in the Salt Lake City area. Mr. Lampropoulos said some in his discussion group agreed that businesses were uncertain about investment because “there’s such an aggressive legislative agenda that businesspeople don’t really know what they ought to do.” That uncertainty, he added, “is really what’s holding back the jobs.”

The president acknowledged, “This is a legitimate concern,” one that he and his advisers had discussed before he took office.

But Mr. Obama said he had decided that “if we keep on putting off tough decisions about health care, about energy, about education, we’ll never get to the point where there’s a lot of appetite for that.”

The argument that Democrats’ ambitions are unnerving business is one that Republicans have been making lately, and it was prominent Thursday when House Republican leaders held a competing round table on jobs with conservative economists.

“The American people are asking, ‘Where are the jobs?’ but all they are getting from Washington Democrats is more spending, more debt and more policies that hurt small businesses,” said Representative [John A. Boehner](#) of Ohio, the House minority leader.

But [W. James McNerney Jr.](#), the head of the Boeing Company, said in an interview after the president's forum, "If you ask me what creates the uncertainty I'm dealing with, it's more the state of the economy."

The administration's domestic agenda is a problem only to the extent that it "is crowding out their attention" to the economy, Mr. McNerney said, adding, "I think the purpose of today was to convince us that there's at least a half-pivot in the other direction."

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