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Obama, GOP Spar Over Employment Plan

White House Meeting Turns Unusually Testy, as Accusations From Both Sides Highlight Partisan Divide

By JONATHAN WEISMAN

WASHINGTON -- President Barack Obama's push for new job-creation legislation got off to a rocky start at a closed-door White House meeting Wednesday, when he accused Republicans of rooting against recovery and Republicans shot back that his policies had frozen business hiring.

The president's pursuit of a jobs bill that could cost close to \$200 billion was never likely to attract bipartisan support. But the contentiousness of a meeting that was called expressly to foster cooperation and on Mr. Obama's home turf was unusual because members of Congress and the president typically mute their disagreements in face-to-face meetings.

One heated exchange came at the beginning of the meeting between the president and congressional leaders from both parties. Mr. Obama said the GOP was fixated on the unemployment rate as Congress enters a midterm-election season, saying Republicans "seem to be almost rooting against recovery," according to two aides briefed on the exchange.

When it was his turn to speak, Rep. John Boehner (R., Ohio) bristled. "Mr. President, we do a lot of politics in this town," the Republican leader said, according to notes from the exchange, "but we are committed to working together in areas where we agree to get the American people back to work."

At one point, the president told Republican leaders to "stop trying to frighten the American people," displaying a chart showing diminishing job losses over the past four quarters, House Speaker Nancy Pelosi (D., Calif.) said after the meeting. That came after Rep. Dave Camp (R., Mich.) accused Mr. Obama of pushing a "job-killing agenda," according to aides briefed on the meeting.

Mr. Camp, the ranking Republican on the Ways and Means Committee, also called the Environmental Protection Agency's move to regulate "what we exhale" -- carbon dioxide -- "ludicrous."

The exchanges underscored the ideological divide between a first-year president and a Republican Party trying to position itself as the standard bearer for sound economic policy.

White House officials said Mr. Obama had hoped he could win some Republican backing for two of the pillars of his jobs bill, tax breaks and lending for small businesses and a new, \$50 billion infusion of infrastructure spending.

The third pillar, direct assistance to struggling state and local governments, has never enjoyed much Republican support.

Instead, Republicans held firm to a strategy of challenging Mr. Obama's economic policies and blaming him for the \$1.4 trillion deficit.

"It's clear this administration just doesn't get it," House Republican Conference Chairman Mike Pence of Indiana said on the White House driveway. "The truth is, the American people know we can't borrow and spend and bail our way back to a growing economy."

Republicans pushed Mr. Obama to freeze federal spending, a plea the president answered by repeatedly challenging them to produce an economist who believed that cutting spending now would be a good idea. Republicans also want assurances that taxes won't be raised and that new regulations won't be issued until the unemployment rate falls well below the current 10%.

Republicans got a more positive response when they pressed Mr. Obama to move forward on free trade. Sen. Charles Grassley (R., Iowa) accused the president of "dithering" on trade. Mr. Obama told Republicans he would move forward with stymied trade deals in the first months of

2010.

Meanwhile, the House on Wednesday approved a bill extending \$31 billion in long-lived business and personal tax breaks, such as a research-and-development tax credit and an income-tax deduction for state and local sales taxes, designed for states that don't have income taxes. The 45 tax breaks would be financed from a tax increase on investment-fund managers who use a loophole to have income taxed at the 15% capital-gains rate and a crackdown on international tax cheats.