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## Jobs, Deficits To Dominate Congressional Agenda In 2010

By Corey Boles, Of DOW JONES NEWSWIRES

WASHINGTON -(Dow Jones)- The Obama administration and congressional Democrats face a tough balancing act in 2010, trying to show a commitment to fiscal discipline while preparing to spend even more to manage a fledgling economic recovery.

Republicans, on the other hand, plan to spend the next 11 months before the November mid-term elections portraying Democrats as fiscally irresponsible and guilty of mismanaging the economy.

Historically, the party in power at the White House almost always fares poorly in mid-term elections. The question this year is whether Democrats will be bloodied even more due to a poor economy.

Jim Horney, federal fiscal policy director at the left-leaning Center for Budget and Policy Priorities, said Democrats face a real challenge trying to "explain to the public why deficits in the next couple of years are useful and actually help the economy, but that in the long run they are bad and hurt the economy."

President Barack Obama is expected to address both the moribund jobs situation and his administration's deficit reduction strategies in his State of the Union address later this month.

On the surface, the numbers facing Democrats are grim. The federal government's budget deficit soared to \$1.4 trillion by the end of fiscal 2009, compared with \$455 billion a year earlier. It is on track to be even higher in fiscal 2010.

Obama inherited a 25-year-high national jobless rate of 8.1% in his first full month in office in February. Unemployment continued to grow on his watch, peaking at 10.2% in October, before falling slightly to 10% in November. The December jobless number, due out Friday, is expected to remain at about 10%.

Democrats argue that their policies, notably the \$787 billion economic recovery plan enacted last year, prevented economic conditions from worsening. The U.S. economy returned to growth in the third quarter, officially ending the recession, they said.

Still, critics cite the persistently high unemployment rate as evidence the recovery plan hasn't been a success.

"Realistically, I don't think the first stimulus did anything for the economy," Chris Edwards, director of tax policy at the Cato Institute, a right-of-center think tank.

More than half the stimulus money has yet to be spent around the country, so much of its impact is yet to be felt. But clearly Democrats are still concerned about the prospect of a jobless recovery.

Before they left for the holiday recess, House Democrats approved a \$154 billion package aimed at stimulating more job growth. That bill included a combination of aid to states, assistance to the jobless and money for road and bridge repairs and construction.

"Our main concern is ensuring that the American worker does have a job and we are growing our economy, while at the same time being fiscally responsible," said Nadeam Elshami, a spokesman for House Speaker Nancy Pelosi (D., Calif.).

Every House Republican voted against that bill. Michael Steel, a spokesman for House Minority Leader John Boehner (R., Ohio), called it more evidence of the "unprecedented tsunami of spending" in the last year.

The Senate has yet to move forward on a jobs creation bill. Democrats are expected to begin work on legislation following the president's State of the Union speech.

For their part, Senate Republicans said they don't hold out much hope that Democrats will work with them to craft a job-creation package they can support.

spokesman for Senate Minority Leader Mitch McConnell (R., Ky.).

This is already shaping up to be the dominant theme of the year in Congress: Democrats taking steps to be seen to addressing the country's economic woes, with Republicans criticizing their efforts and voting against them at every turn.

What side of the story voters choose to believe more will depend on how robust the economic recovery proves to be, and what the unemployment rate is by November.

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