

## **President-elect heeds urgent cry for help**

*Andrew Ward*

As stocks plunged to a six-year low last week amid a fresh barrage of grim employment data, the question on the lips of many commentators was: where is Barack Obama?

For days, the only sighting of the president-elect had been photographs of him leaving the gym each morning before disappearing into private meetings at his transition headquarters in Chicago.

But as grumbling about his low profile intensified, Mr Obama ended his silence on Saturday with a sweeping economic recovery plan aimed at creating or saving 2.5m jobs by January 2011.

Aides let it be known that he would also name Tim Geithner, the president of the Federal Reserve Bank of New York, as his Treasury secretary today.

The burst of activity signalled that Mr Obama had heard the ever more urgent calls from Wall Street to Capitol Hill for him to fill the leadership vacuum as George W. Bush serves out his final, impotent days.

But if anyone was hoping for words of reassurance from the incoming president, they must have been alarmed by his blunt assessment of the economic outlook. "The news this week has only reinforced the fact that we are facing an economic crisis of historic proportions," he told listeners in the weekly Democratic party radio address, saying that the US risked falling into a "deflationary spiral".

"We have now lost 1.2m jobs this year and, if we don't act swiftly and boldly, most experts now believe that we could lose millions of jobs next year."

While few details were given, his proposed remedy appeared likely to involve the biggest public works programme possibly since the Great Depression. He promised "a two-year nationwide effort to jump-start job creation" through investment in infrastructure, public services and green technology.

"We'll put people back to work rebuilding our crumbling roads and bridges, modernising schools that are failing our children, and building wind farms and solar panels [and] fuel-efficient cars," he said.

All those proposals were part of his campaign agenda but they would now be accelerated and wrapped together in a massive stimulus package. "These are the long-term investments in our economic future," he said. "They represent an early downpayment on the type of reform my administration will bring to Washington."

Uncharacteristically for a politician who often trod a cautious path during the presidential campaign, Mr Obama has taken a risk by setting a firm target and deadline for his jobs plan. But as with his timeline for withdrawal of troops from Iraq, he left plenty of ambiguity in how the 2.5m jobs would be defined. Not all of them must be new jobs. Any that would arguably have been lost but for the recovery plan would also count.

He warned that the economy was "likely to get worse before it gets better".

Mr Obama said his economic team would be working out details of the plan over the coming weeks and expected to sign it into law soon after taking office. At the heart of that planning will be Larry Summers, the Treasury secretary in the Clinton administration, who is expected to be named today as chief White House economic adviser.

While Mr Geithner will have his hands full overseeing the \$700bn (€556bn, £469bn) financial sector bailout, Mr Summers will coordinate the broader recovery plan. No price tag was given

for the programme but it is much bigger in scale than the two-year \$175bn stimulus package proposed by Mr Obama during the campaign and Chuck Schumer, a leading Democratic senator, yesterday claimed it could be as much as \$500bn-\$700bn.

By pushing for a "big bang" programme even before he takes office, Mr Obama appears to be calculating that he will never have a better chance of securing legislative support for his agenda than during the initial honeymoon following inauguration. With the economy in free fall, he is likely to find the Democratic-controlled Congress in receptive mood.

Mr Obama promised to work with Republicans to secure bipartisan support but warned that the need for "immediate action" was "not negotiable".

"Right now, there are millions of mothers and fathers who are lying awake at night wondering if next week's paycheck will cover next month's bills," he said, claiming that the future of the American Dream was at stake. "These Americans need help now."

**Fonte: Financial Times, London, November 24 2008, Primeiro Caderno, p. 2.**

A utilização deste artigo é exclusiva para fins educacionais