

Analysis: Obama takes possession of economy

By JIM KUHNHENN – July 15 2009

WASHINGTON (AP) — With four simple words — "Give it to me!" — President Barack Obama took possession of the economy.

For months, the White House and Obama's economic team have laid the economic crisis at the feet of President George W. Bush. But there comes a point in a presidency when inheritance becomes ownership. Obama made that pivot Tuesday in Michigan, the state suffering the worst unemployment in the nation.

"I love these folks who helped get us in this mess and then suddenly say, 'Well, this is Obama's economy,'" the president said in a pointed deviation from his prepared text. "That's fine. Give it to me!"

It was a defiant moment, reminiscent of Bush's own "Bring 'em on!" taunt in 2003 to militants in Iraq.

Like Bush's brash challenge, Obama's could haunt him, too. It's a calculated risk that confronts his critics head-on and casts him as an activist, on-the-job president.

"My job is to solve problems, not to stand on the sidelines and harp and gripe," he said Tuesday, his sleeves rolled up, barely disguising his targets as congressional Republicans.

Still, most economists and Obama's own advisers foresee a slow economic recovery. The president himself conceded Tuesday that unemployment, already at a 26-year high, will likely "tick up for several months." Republicans see the economy as Obama's Achilles' heel come next year's elections, and they have found a political vulnerability in the continued rise in unemployment despite a \$787 billion economic stimulus that Obama pushed through Congress in February.

In choosing Michigan to attach his name to the economy, Obama picked a state whose 14.1 percent unemployment rate could linger as evidence of policy failure. As home to the U.S. auto industry, it could also stand as a symbol of one of his first economic successes. Both General Motors and Chrysler have emerged in surprisingly swift fashion from bankruptcy protection proceedings that were imposed by the Obama administration.

"Remember, folks said there was no way they could do it?" Obama told his audience in hard-hit Warren, Mich. "They've gotten it done already, in record time, far faster than anybody thought possible."

After a week spent overseas, the feisty, confrontational approach aims to regain the agenda from his critics. In one bold step this week, the Obama administration singled out Sen. Jon Kyl, a member of the Senate Republican leadership, for calling for an end to economic stimulus spending. Using Obama's Cabinet members as muscle, the White House on Tuesday made public letters from four department secretaries listing transportation, housing, Indian education and other projects in Kyl's home state that they said would be eliminated if the senator had his way. The letter was addressed to Arizona's Republican governor, Jan Brewer.

At the same time, Obama is appealing for patience. In his weekly radio and Internet address Saturday and in a newspaper opinion piece, Obama argued that the stimulus program was designed as a two-year plan and that it had already halted the economic free fall. It hasn't helped Obama, however, that the jobless rate now stands at 9.5 percent, even though his economic team initially predicted that the stimulus would prevent unemployment from going higher than 8 percent.

Obama and his advisers say the recession turned out to be worse than anticipated when they made that forecast in January. Still, 2 million jobs have been lost since Congress passed the stimulus package.

"I want the president's economic stimulus to work, but guess what? It's not happening right now," Rep. Candice Miller, R-Mich., said Tuesday, voicing a common GOP refrain. "I don't even think we have Wendy's jobs anymore. Where's the beef? Where's the jobs?"

Obama's unflinching embrace of his economic policies means he now is responsible for their consequences. If the free fall is now in check, as he claims, then the economy can no longer be Bush's legacy alone.

What's more, even amid indicators that show the economic plunge is slowing, unemployment in recent recessions has been slow to recover as quickly as the rest of the economy. And jobs are the clearest yardstick by which the public measures success. For Obama and his fellow Democrats, the danger lies in unemployment rates that remain high in time for next year's congressional elections, or in a slow recovery that peters out and leads back into a recession.

Obama has already taken ownership of the nation's foreign policy. In March, he announced a new approach in Afghanistan that included sending an additional 17,000 combat troops. Marines have just kicked off an offensive in Taliban strongholds in the south of the country. And two weeks ago, American troops in Iraq handed over security urban areas to Iraqi security forces, the first step toward meeting Obama's pledge to end an unpopular war.

Now, just days shy of the symbolic six-month anniversary of his presidency, Obama has laid claim to the full measure of the job. When it comes to the economy, no one — certainly not his Republican critics — is going to keep him from taking it.

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