



House Committee Advances Stimulus Bill

NORTH AMERICA, HOUSE OF REPRESENTATIVES, GOVERNMENT & POLITICS, ECONOMY, RECESSION, CREDIT, BANKS, FINANCIALS, CONSUMERS, STIMULUS, BARACK OBAMA, DEMOCRATS, TAXES, INFRASTRUCTURE, SPENDING, LABOR, EMPLOYMENT, STEEL, CONSTRUCTION & MATERIALS

Reuters | 22 Jan 2009 | 06:24 AM ET

An \$825 billion economic stimulus package sought by Democrats cleared a key hurdle on Wednesday as a House of Representatives panel approved major portions of the spending initiatives in the plan that President Barack Obama wants enacted by mid-February.

The House Appropriations Committee, by a partisan vote of 35-22, approved \$358 billion in spending that would be included in the huge measure.

Republicans on the panel attempted, without success, to cut about one-third of that spending or shift some of it to infrastructure projects.

"I'm sure that none of you are happy with the cost, neither am I, but the cost has to be measured against the size of the problem," said Rep. David Obey, the committee's chairman. "We face the most dangerous economic collapse since the '30s."

Even if the package of spending, tax cuts and other initiatives is enacted, the Wisconsin Democrat warned Congress could be forced to act again if the economy does not turn around.

The spending package the panel approved includes billions of dollars for upgrading roads, bridges and energy grids, as well as for putting more police on the streets and expanding high-speed Internet services.

Committee members jostled over the bill throughout Wednesday, as Republicans unsuccessfully urged more study before spending hundreds of billions of dollars while Democrats added provisions important to organized labor.

The panel approved an amendment requiring U.S.-made steel be used in construction projects financed by the new spending and another pushing higher wages for workers on such projects.

The lawmakers also expanded funding of emergency food aid as more people struggle to make ends meet in the worsening economy.

In an early test of Obama's ability to bridge partisan divides amid deepening economic gloom, he and his fellow Democrats in Congress must overcome strong skepticism among Republicans concerned about massive new programs that could swell the federal government and deficit.

Republicans have criticized the spending in particular, questioning whether projects to fund the National Endowment for the Arts or to restore the National Mall in Washington would boost the economy and whether jobs would be created quickly.

"Are we fostering job creation and economic stimulus or are we simply growing the size of government?" said Rep. Jerry Lewis of California, the top Republican on the appropriations panel. "I don't question the urgency of this package, I question the priorities and its price tag."

Democrats hope to push the package through Congress by mid-February to give Obama a big legislative victory a month after taking office and staunch the rapid loss of jobs in a year-long recession.

The tax-writing House Ways and Means Committee plans to consider its part of the bill on Thursday.

About \$275 billion in temporary tax benefits for workers and businesses are pending.

The Senate Appropriations and Finance Committees are expected to consider their own stimulus measures next week.

More from CNBC.com

- [Obama Won't Have Quick Fix for Banks](#)
- [Sweetheart Stocks for Obama's Honeymoon](#)

The House Appropriations Committee's vote followed a request by House Republicans to meet with Obama to discuss their ideas for boosting the economy and their preference to put greater emphasis on tax cuts to quickly create more jobs.

Obama agreed to meet them next week, a Republican aide said, another sign he wants bipartisan support for the plan.

"It's clear that trying to get money back into the economy quickly, preserve jobs and create job has to be the goal and fast-acting tax relief we believe is the best way to do that," House Minority Leader John Boehner told reporters.

"When it comes to slow-moving government spending programs, it's clear that it doesn't create the jobs or preserve the jobs that need to happen," he said.

Obama wanted tax cuts to be a significant component of the package in a bid to win Republican support and move beyond the partisan bickering that has stalled most legislation over the last several years.

Democrats on the panel defeated a series of Republican amendments, including one that would have cut \$122 billion in spending for child feeding programs, job training and other programs, and shift the emphasis to tax cuts.

But it did approve an amendment aimed at accelerating state spending on highway and transit projects to create jobs more quickly and one that would prevent Illinois Gov. Rod Blagojevich, who has been charged in a corruption scandal, from disbursing any of the emergency funds his state receives.

Copyright 2009 Reuters. Click for restrictions.

URL: <http://www.cnbc.com/id/28788964/>

[Privacy Policy](#) . [Terms of Service](#)

© 2009 CNBC.com