

Upbeat Obama says US will revive past 'reckoning'

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President Barack Obama promised a nation shuddering in economic crisis Tuesday night that he would lead it from a dire "day of reckoning" to a brighter future, summoning politicians and public alike to shoulder responsibility for hard choices and shared sacrifice.

"The time to take charge of our future is here," Obama declared, delivering his first address to a joint session of Congress.

Offering words of reassurance to an anxious nation, he declared, "Tonight I want every American to know this: We will rebuild, we will recover, and the United States of America will emerge stronger than before."

"We are a nation that has seen promise and peril," he said. "Now we must be that nation again."

Cheered robustly as he entered the House chamber, Obama grinned, shook hands and kissed lawmakers and stopped for a lengthy embrace with Supreme Court Justice Ruth Bader Ginsburg, back on the bench only this week after surgery for pancreatic cancer.

To deal with the current crisis, deepening each day, the president said more money will be needed to rescue troubled banks beyond the \$700 billion already committed last year. He said he knows that bailout billions for banks are unpopular — "I promise you, I get it," he said — but he also insisted that was the only way to get credit moving again to households and businesses, the lifeblood of the American economy.

Along with aid for banks, he also called on Congress to move quickly on legislation to overhaul outdated regulations on the nation's financial markets.

"I ask this Congress to join me in doing whatever proves necessary," Obama said. "Because we cannot consign our nation to an open-ended recession."

Thinking longer-term, Obama said in a speech lacking many specifics and devoid of initiatives that both political parties must give up favored programs while uniting behind his campaign promises to build better schools, expand health care coverage and move the nation to "greener" fuel use.

Just five weeks after his

inauguration, Obama addressed an ebullient Democratic congressional majority and an embattled but reinvigorated GOP minority as well as millions of anxious viewers. Despite the nation's economic worries and the lack of support for his plans from all but a few Republican lawmakers, Obama enjoys strong approval ratings across the nation.

Louisiana's young, charismatic governor, Bobby Jindal, delivering the televised GOP response, exhorted fellow Republicans to be Obama's "strongest partners" when they agree with him. But he signaled that won't happen much, calling Democrats in Congress "irresponsible" for passing the

peak of 16 months ago.

And new polls — some with his public support rising and others with it dropping — show that the political climate can be as precarious as the economic one. Aware that his and his party's fortunes will suffer if he cannot right the economic picture, Obama sought to blend the kind of grim honesty that has become his trademark since taking office with a greater emphasis on optimism.

"The weight of this crisis will not determine the destiny of this nation," he said.

The central argument of his speech was that his still-unfolding economic revival plan has room for — and even demands —

He urged lawmakers to reduce emissions of greenhouse gases that cause climate change by creating a cap-and-trade system of limits and pollution allowances, especially for industries such as utilities with coal burning power plants. And he said the budget he is sending to Congress on Thursday will call for \$15 billion a year in federal spending to spur development of environmentally friendly but so far cost-ineffective energy sources such as wind and solar, biofuels, clean coal and more fuel-efficient vehicles.

He said his budget request also will create new incentives for teacher performance and support for innovative education programs. He asked every American to

Pre-speech, Wall Street was in a better mood than it had been in for days: Stocks were up after Federal Reserve Chairman Ben Bernanke said the recession might end this year.

In contrast to many State of the Union addresses by George W. Bush, Obama did not emphasize foreign policy. He touched on his intention to chart new strategies in Iraq and Afghanistan and to forge a new image for the U.S. around the world even as he keeps up the fight against terrorism.

With the economy dominant, Obama said the mess was one he inherited. "We have lived through an era where too often, short-term gains were prized over long-term prosperity, where we failed to look beyond the next payment, the next quarter or the next election," he said.

He aimed to show he was tackling the situation with both urgency and strict oversight for how the staggering sums are being spent. The massive stimulus plan, an overhaul of the separate \$700 billion bailout for the financial sector, and a \$275 billion rescue for struggling homeowners are already in place, and more is on the way, Obama said.

Even as Washington pours money into the economic recovery, Obama said the budget deficit, at \$1.3 trillion and ballooning, must be brought under control.

He promised he would slash it by half by the end of his term in 2013, mostly by ending U.S. combat in Iraq and eliminating some of Bush's tax cuts for the wealthy. He said his budget officials have identified a total of \$2 trillion in savings over the next 10 years, also including ending education programs "that don't work" and payments to large agribusinesses "that don't need them," eliminating wasteful no-bid contracts in Iraq and spending on weapons systems no longer needed in the post-Cold War era, and rooting out waste in Medicare.

"Everyone in this chamber, Democrats and Republicans, will have to sacrifice some worthy priorities for which there are no dollars," he said. "And that includes me."

He touted his decision to end the practice of leaving Iraq and Afghanistan war spending out of the main budget. "For seven years, we have been a nation at war. No longer will we hide its price," Obama said.



Photo courtesy of CNN.com

\$787 billion stimulus package that Republicans have criticized as excessive and wasteful.

"The way to lead is not to raise taxes and put more money and power in hands of Washington politicians," Jindal said, according to excerpts of his remarks released by the Republican Party. "Who among us would ask our children for a loan, so we could spend money we do not have, on things we do not need?"

Jindal is considered a likely presidential contender in 2012.

Obama spoke as bad economic news continued to pile up, felt all too keenly in U.S. homes and businesses. Some 3.6 million jobs have disappeared so far in the deepening recession, which now ranks as the biggest job destroyer in the post-World War II period. Americans have lost trillions of dollars in retirement, college and savings accounts, with the stock market falling nearly half from its

simultaneous action on a broad, expensive agenda including helping the millions without health insurance, improving education and switching the U.S. to greater dependence on alternative energy sources. This is the big lift of his young presidency: bringing the public behind what are sure to be enormous outlays on contentious issues.

His hope was to begin to persuade the country that those longer-term items on his presidential agenda are as important to the nation's economic well-being as unchoking credit and turning around unemployment numbers.

"The only way this century will be another American century is if we confront at last the price of our dependence on oil and the high cost of health care, the schools that aren't preparing our children and the mountain of debt they stand to inherit," Obama said. "That is our responsibility."

commit to completing a year or more of higher education or career training.

New in office, he wasn't charged with producing a formal State of the Union status report. But for all intents and purposes, that's what it was: a night for the president to sketch out his priorities in a setting unmatched the rest of the year.

It took nearly 15 minutes for him to make his way through a House chamber packed with lawmakers eager to welcome the nation's first black president into a Capitol built by slaves. The gallery included a special section hosted by first lady Michelle Obama in which guests were selected to serve as living symbols of the president's goals. Cramming the floor was virtually the entire leadership of the federal government, including Supreme Court justices and all but one Cabinet member, held away in case disaster struck.