

ECONOMIC GROWTH: Obama getting advice

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President Obama asked business leaders last week exactly what it was about his policies that has them so concerned. If he bothers to read their answers, he just may find a way to get the struggling economy going forward again.

According to the Detroit News, the U.S. Chamber of Commerce responded to the President's request with a detailed letter outlining what his administration has done to hurt business. The letter also suggested several remedies.

Taxes were at the top of the list. The Chamber noted that Congress has passed \$700 billion in tax increases and the Washington Post recently reported that Fortune 500 companies are sitting on \$2 trillion in cash — cash that should be invested in growth, but is instead being held back for fear of future tax hikes.

The Chamber letter suggested the White House should extend all of the 2001 tax cuts before they expire at the end of the year. That one move would go a long way to freeing up corporate savings and would spur a huge investment rally.

The letter to the President also said there are fears that Washington is on a regulatory binge, citing a “tsunami of regulations” now coming into force. As an example, the letter cited 29 major economic rules moving through the Environmental Protection Agency with the potential negative impact on business of at least \$100 million each.

According to the Detroit News, at a recent White House meeting that included former President Bill Clinton and others, the conversation was about boosting the economy through a new federal home weatherization program. It is hard to see such a program having a very strong economic impact.

Job creation is the key. When businesses expand, so too will the economy. That will happen with business-friendly regulations and financial certainty — not more social regulations and weatherization programs.