Obama seeks power to merge agencies, slash jobs

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President Obama on Friday called on Congress to grant him authority to merge federal agencies and consolidate their roles. Speaking before an audience of small business owners, he said his initial proposal would save $3 billion and eliminate 1,000-2,000 government jobs over the next decade.

Obama is asking for authority to present the merger of agencies to Congress, which would then be required to approve or reject each proposal with an up-or-down vote within 90 days. US presidents retained such authority for 52 years, from the Great Depression until 1984, during the Reagan administration, when Congress withdrew the authority under a sunset provision.

The president said he would authorize reorganizations and mergers only if they cut costs and shrank the size of the federal government. Assuring his audience that his proposal was business friendly and aimed at boosting profits, he said, “These changes would help small business owners like you. It would also help medium and large businesses.”

Administration officials said that if granted the authority, Obama would first establish a new department overseeing trade and investment, business and economic development, technology and innovation, and economic statistics. Obama said the revamped agency would “help create more jobs, sell more products overseas, grow our economy faster, improve our quality of life.”

This new department would combine the functions of the Commerce Department, the Small Business Administration, the Office of the US Trade Representative (USTR), the Overseas Private Investment Corporation, the Export-Import Bank and the Trade and Development Agency. Also included would be the Bureau of Labor Statistics, the Census Bureau and the Bureau of Economic Analysis.

The new department would be led by a cabinet secretary but the USTR would retain its own cabinet status. Obama also said he will exercise his current executive authority to elevate the head of the Small Business Administration to a cabinet-level position.

The National Oceanic and Atmospheric Administration (NOAA), which now comprises the largest part of Commerce’s budget, would be moved to the Interior Department. Many environmental advocates oppose this shift on the grounds that it would subordinate NOAA, an agency charged with protecting the condition of the oceans and the atmosphere, into a department dominated by the corporate drive to extract minerals on federal land.

NOAA also helps manage ocean fishing seasons. Environmentalists are concerned that as part of the Interior Department, NOAA’s independence would be curtailed in its handing of key ocean policies—from ocean energy projects to offshore drilling.

In a written statement, Frances Beinecke, president of the Natural Resources Defense Council, said, “We understand the president’s interest in creating a more nimble, coherent entity for economic policy. But that can be done without sacrificing the scientific and environmental strengths of NOAA, and the independent perspectives it brings to critical issues.”

Obama’s proposal has been met with guarded approval by congressional Republicans and business leaders. Brendan Buck, spokesman for House Speaker John Boehner, Republican of Ohio, stated, “Eliminating duplicative programs and making the federal government more simple, streamlined and business friendly is always an idea worth exploring.”

While Obama’s proposal takes a page from the “smaller government” rhetoric of the Republicans,

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members of Congress and some business groups have expressed concern that their advocates in independent agencies would lose clout under the reorganized department dealing with commerce and trade. In particular, some question merging USTR, responsible for developing US international trade and direct investment policy, into the larger agency.

In a joint written statement, House Ways and Means Chairman Dave Camp (Republican of Michigan) and Senate Finance Committee Chairman Max Baucus (Democrat of Montana), said, “Taking USTR, one of the most efficient agencies that is a model of how government can and should work, and making it just another corner of a new bureaucratic behemoth would hurt American exports and hinder American job-creation.”

Obama first pledged to cut government inefficiency in his 2011 State of the Union address, and the topic is expected to feature prominently in the upcoming address to Congress on January 24. Despite his posturing as an advocate of the “middle class” and job-creation, Obama is seeking to outflank his Republican rivals in his commitment to slashing government spending.

Presenting his American Jobs Act legislation last September, Obama was quick to stress that every penny of the plan would be paid for through cuts in social programs. The White House knew in advance that the program would not be passed by Congress, but announced it in an attempt, in advance of the 2012 elections, to conceal the resolutely pro-corporate policies of the administration beneath utterly cynical and phony populist trappings. Even were the plan enacted, it would produce, according to the White House’s estimates, a mere 2 million new jobs. This is under conditions where, by the government’s own figures, some 23 million Americans are either jobless, unwillingly working part-time, or have given up looking for work.

Obama has rejected out of hand any government-run public works program to actually hire workers to rebuild the country’s crumbling social and physical infrastructure. He insists that the largely token sums allocated in the name of job-creation be funneled to the private sector to boost corporate profits. Now he is calling for new powers to intensify the attack on federal workers, whose pay has already been frozen by the White House.

Obama’s proposal to merge and reorganize government departments has come under fire from some members of Congress and business groups because it aims initially to cut only 1,000 to 2,000 from the 2.1 million federal workforce, and because these job cuts would be achieved mainly through attrition.

In an editorial published Saturday, the *Wall Street Journal* urged Obama to also take the knife to federal job-training programs, writing, “Another priority ought to be reforming the 47 separate job retraining programs, all but three of which overlap. The Government Accountability Office calls this wasteful with ‘no measurable benefit,’ but the White House has rebuffed any meaningful change.”

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