



Hoyer Leaves Open Possibility of Second U.S. Economic Stimulus

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By James Rowley and Brian Faler

July 7 (Bloomberg) -- The House's second-ranking Democrat left open the possibility of a second U.S. economic stimulus program, while Senate leaders and an aide to President **Barack Obama** questioned the need for one.

"We need to be open to whether or not we need additional action" to stimulate the U.S. economy, House Democratic leader **Steny Hoyer** told reporters today in Washington.

Hoyer cautioned that "it is certainly too early" to assess whether the \$787 billion stimulus Congress enacted in February is working or needs to be augmented. "In fact, we believe it is working" because many people otherwise would have lost their jobs if Congress hadn't passed the stimulus, said Hoyer of Maryland.

White House spokeswoman **Jen Psaki** sought to dampen talk of a second stimulus plan.

"We remain focused on putting thousands of Americans back to work through the implementation of the recovery act and any discussion of a second stimulus is premature at this point," Psaki said in an e-mailed statement.

The administration is facing criticism that the first package was rolled out too slowly and failed to stop **unemployment** from soaring to the highest level in almost 26 years. Unemployment increased to 9.5 percent in June, the highest since August 1983. The economy has lost about 6.5 million jobs since December 2007.

Senate Republican leader **Mitch McConnell** of Kentucky said in a floor speech today that Democratic proponents of the stimulus program "over-promised on results and now their predictions are coming back to them."

'Mind-Boggling'

McConnell mocked the idea of another stimulus plan. He called it "mind-boggling" and a worse idea than the previous one, which he said "has been demonstrably proven to have failed." He added, "There is no education in the second kick of a mule."

Senate Majority Leader **Harry Reid**, a Nevada Democrat, said he didn't see the need for additional fiscal stimulus. "There is no showing to me that another stimulus is needed," he said, estimating that only slightly more than 10 percent of the money in the previous plan has been spent.

Paraphrasing Federal Reserve Chairmen **Ben Bernanke's** comments in March about an economic recovery, Reid said crops have "been planted, the shoots are now appearing above the ground."

In an **interview** today with ABC News, Obama questioned the value of another stimulus package, urging lawmakers to "make sure" that "pillars of long-term economic growth get put in place."

'We've Got Problems'

"Short term, we've got problems and no matter how powerful our stimulus, there's still going to be issues working out of all that excessive debt and the financial crisis that has happened," Obama said during his trip to Russia.

Connecticut Representative **John Larson** said the stimulus should be called an "economic stabilization." He called for more spending on transportation infrastructure "to put the country back to work."

Larson, a member of the House Democratic leadership, said "there is a lot of support" in Congress for transportation legislation, which the Obama administration opposes, favoring instead an extension of the current program.

The Senate's second-ranking Democrat, **Dick Durbin** of Illinois, said he would leave any decision on the need for a fiscal stimulus to "the president's evaluation."

"I'm not sure how you would do it" during a congressional session dominated by debates on health-care overhaul and climate-change legislation, he told reporters.

'Probably Needed'

Rhode Island Senator **Sheldon Whitehouse**, a Democrat whose home state has a 12 percent jobless rate, **told** ABCNews.com that a second stimulus is "probably needed." Action by Congress would "probably take place towards the end of

the year," Whitehouse said.

Economist **Laura Tyson**, an outside adviser to Obama, called for more action by Congress in a speech in Singapore.

The current stimulus program "will have a positive effect, but the real economy is a sicker patient," she said. The package will have a more pronounced impact in the third and fourth quarters, she added, stressing that she was speaking for herself and not the administration. Tyson is a member of Obama's Economic Recovery Advisory board.

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