

BUSINESS NEWS

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Obama to meet with economic team

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CHICAGO (Reuters) - Barack Obama will meet his economic team on Friday and hold his first news conference since becoming U.S. president-elect as the country awaited signs of how he might tackle the economic crisis.



President-elect Barack Obama waves to the travelling press corps as he arrives downtown for staff meetings in Chicago, November 6, 2008. REUTERS/Jason Reed

Obama, who stands to inherit the worst financial crisis since the Great Depression, faced pressure to announce his picks for key economic jobs, including Treasury secretary, though there were no indications of when he might do so.

On Wall Street, stocks closed sharply lower for a second day. The Dow Jones industrial average tumbled 443.48 points, or 4.85 percent, after plummeting almost 500 points or about 5 percent on Wednesday — the biggest fall ever on the day after a presidential election.

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Though the timing of the Treasury secretary announcement was uncertain, names being considered for the job included Timothy Geithner, president of the Federal Reserve Bank of New York, former Treasury Secretary Lawrence Summers and former Federal Reserve Chairman Paul Volcker.

Summers and Volcker were on the 17-member transition economic advisory board who will meet with Obama on Friday, a statement from the transition office said.

Obama made his first key appointment by naming U.S. Rep. Rahm Emanuel of Illinois, a brash veteran of President Bill Clinton's White House known for his take-no-prisoners style, as his chief of staff.

"I announce this appointment first because the chief of staff is central to the ability of a president and administration to accomplish an agenda," Obama said in a statement. "And no

one I know is better at getting things done than Rahm Emanuel.”

The choice was quickly criticized by Republicans who accused Obama of renegeing on his campaign promise that he would bring change to Washington and reach across the aisle to bridge divides between the parties.

“This is an ironic choice for a president-elect who has promised to change Washington, make politics more civil, and govern from the center,” House Republican Leader John Boehner of Ohio said.

But not all Republicans viewed the appointment harshly. South Carolina Sen. Lindsey Graham, a close ally of Republican White House candidate John McCain, negotiated the terms of the presidential debates with Emanuel and said they made quick progress.

“This is a wise choice by President-elect Obama,” Graham said. “Rahm knows Capitol Hill and has great political skills. He can be a tough partisan but also understands the need to work together. He is well-suited for the position.”

Aides would not say if there would be any announcements about administration jobs at the news conference.

BUSH PLEDGES SMOOTH TRANSITION

Bush pledged to do all he could to ensure a smooth transition before Obama takes the oath of office on January 20.

“Over the next 75 days all of us must ensure that the next president and his team can hit the ground running,” Bush said at the White House. Bush said he would discuss policy issues ranging from the financial markets to the war in Iraq with Obama next week.

Obama said he and his wife Michelle looked forward to meeting Bush on Monday to start the transition process.

“I thank him for reaching out in the spirit of bipartisanship that will be required to meet the many challenges we face as a nation,” Obama said in a statement.



Slideshow (21 Images)

Obama went to the FBI building in Chicago on Thursday for a top-secret intelligence briefing. As president-elect he will now be receiving president-level daily briefings from top intelligence officials.

Analysts expect Obama to begin putting together a strategy for the wars in Iraq and Afghanistan. Concern that al Qaeda may try to test a new administration may also lend urgency to assembling the national security team quickly.

“We know that al Qaeda and others try to test a new administration,” said White House spokeswoman Dana Perino. “I don’t know of anything specific but we do know that is a heightened period of concern.”

On the Treasury decision, Lawrence Glazer, managing partner of Mayflower Advisors in Boston, said it was especially important that whoever was picked could communicate well about the economic predicament.

“It’s a very complicated financial landscape. Being able to convey this in simple terms to the American public is key. Someone with political experience would be helpful,” he said.

A Reuters poll of economists found 26 of 48 respondents thought Geithner would be chosen for the job, while Summers came second with 14 votes.

Whoever takes the Treasury job will guide the \$700 billion economic bailout package and the regulatory reform needed to prevent a repeat of the current crisis.

In addition to Summers, Geithner and Volcker, the short list for Treasury included Laura Tyson, who chaired Clinton’s Council of Economic Advisers.

Additional reporting by John Parry in New York and Jeremy Pelofsky and Thomas Ferraro in Washington;
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