



## **GOP embraces big stimulus after years of decrying it**

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March 18, 2020

A \$1 trillion federal stimulus. Bailouts for crippled industries. Cash payments to every American. Soaring deficits into the indefinite future.

No, it's not the Obama-era response to the Great Recession; it's the Republicans' plan to brace the plummeting economy amid sinking markets and mass layoffs resulting from the global coronavirus pandemic.

President Trump and GOP leaders on Capitol Hill are racing to craft the mammoth stimulus bill — Congress's third round of emergency relief in as many weeks — with hopes of passing it through the Senate before month's end. The plan seeks to inject \$1 trillion into the teetering economy, largely through a combination of direct payments to individuals, bailouts to hard-hit industries such as the airlines and low-cost loans to struggling small businesses.

The strategy marks a 180-degree turn for Republicans who had howled a decade ago when President Obama sought a similar, though smaller, stimulus plan with warnings that it encroached on free markets and threatened to bury the country in deficits — spending they said would saddle future generations with piles of debt.

That post-recession debate fueled the ascendance of the conservative Tea Party movement in 2010, which put Republicans in control of the House and shaped virtually every debate over the role and scope of the federal government since then. Trump himself won the White House after campaigning to “drain the swamp” in Washington and has since proposed huge cuts in federal spending.

With the arrival of the coronavirus — and with a Republican in the White House — those concerns have all but evaporated, forcing GOP lawmakers to defend their change of heart.

Sen. Marco Rubio (R-Fla.), who rode the Tea Party wave to election victory in 2010, in part by bashing the Democrats over deficit spending, said the current situation is much more dire, given the threat to public health.

“These are not normal times. The circumstances in which we live in now have no precedent, at least for 70 years,” Rubio said. “We’re not talking about businesses here that made bad decisions and are asking to be bailed out. We’re talking about a virus.”

Senate Majority Leader Mitch McConnell (R-Ky.), a vocal critic of Obama’s roughly \$800 billion stimulus bill in 2009, is also citing the unique urgency of the moment to make the case for the Republicans’ latest relief package.

“We occasionally have these great crises, and when they occur, we’re able to rise above our normal partisanship — and many times our normal positions — because these are not ordinary times,” he told reporters Tuesday. “This is not an ordinary situation, and so it requires extraordinary measures.”

Yet the head-snapping change of tune has not been overlooked by some conservative economists, now accusing GOP leaders of hypocrisy, or by Democrats, who had sought a larger stimulus in 2009 only to be blocked by Republicans.

“As someone who was right in the middle of the efforts to aid the economy in 2007 to 2009, it sure would have been nice to have some of these Republicans around then, when Sen. Reid and other Democrats tried to save President Bush’s political ass — and the economy as a whole,” said Jim Manley, who was a top aide to then-Senate Majority Leader Harry Reid (D-Nev.) during the bank and auto bailouts and Obama stimulus.

Desmond Lachman, an international economist at the conservative American Enterprise Institute, offered a similar assessment in even sharper terms, saying the same fiscal hawks who had warned that America would “become like Greece” under Obama’s stimulus also “happily proceeded” to enact Trump’s \$1.5 trillion tax cut — unfunded — which ballooned deficits during a strong economy. Those Republicans, he charged, simply “don’t have any principles.”

“I think that they’re just totally hypocritical,” Lachman, who supports an aggressive government response, said Wednesday by phone. “All this business about being worried about the debt and worried about the deficit — that you only do when Democrats are in control.”

Not all GOP lawmakers are on board as Trump and GOP leaders press for the new \$1 trillion stimulus package. Sen. Ben Sasse (R-Neb.) took to the floor Tuesday to compare the plan to “shoveling money out of a helicopter” without real concern about its economic effectiveness.

“Saying we should spend real money is not the same as saying we should spend like idiots,” he said.

Obama’s massive stimulus package was the first major legislation signed into law by the new president, in February 2009. However, not a single House Republican voted for it, including Vice President Mike Pence, the former Indiana congressman who’s now leading the White House coronavirus response. And all but three Senate Republicans — Susan Collins and Olympia Snowe of Maine and Arlen Specter of Pennsylvania — voted no on the package. Specter later switched parties to become a Democrat.

Now, it’s the Republicans scrambling to pass a massive spending measure, the third of a growing list.

Earlier this month, Trump signed into law a bipartisan bill providing \$8.3 billion in emergency funding to combat the pandemic, largely focused on the public health response. On Wednesday, the Senate sent Trump a second, \$104 billion package — originating in the Democrat-controlled House — for more testing, unemployment insurance and paid sick leave for workers impacted by the virus.

Trump and GOP senators now are turning their focus to the \$1 trillion rescue package, dubbed phase three, which includes sending most Americans two \$1,000 checks, \$300 billion for small businesses, a \$50 billion loan program for U.S. passenger and cargo carrier, and possibly billions more for other beleaguered industries, including hotels and restaurants.

It is, Steven Mnuchin acknowledged this week, “a big number.” But the Treasury secretary downplayed the spike in deficit spending that's certain to follow, arguing that in times of financial calamity, the government must intervene, as the spender of last resort, to prevent the economy from deteriorating even further.

“Congress right now should be concerned about the American workers and small business,” Mnuchin said. “In different times, we'll fix the deficit. This is not the time to worry about it. This is the time that hardworking Americans are impacted by government decisions. That's when the government has to step up to put money into the economy.”

Sen. Mitt Romney (R-Utah) was one of the first Republicans out of the gate with a plan to send cash directly to Americans. But as the GOP presidential nominee in 2012, Romney railed at Obama as an “old-school liberal whose first instinct is to set free enterprise as the villain and government as the hero.”

Obama “bailed out the public sector, gave billions of dollars to the companies of his friends and added almost as much debt as all the prior presidents combined,” Romney said in a major fiscal address in 2012.

Ryan Bourne, an economist at the libertarian Cato Institute, suggested some Republicans have shed their fiscal hawkishness after watching the economy hum along in recent years even despite historically high deficits. He also noted the distinction between pure economic recessions — which he said can act to cull “weak areas of the economy” and promote “the type of creative destruction that makes an economy stronger” — and a downturn caused by an unforeseeable viral outbreak.

“In this case, a global pandemic, we're pretty much talking about an act of God,” he said. “This is something that even the most diligent, forward-looking businesses could not plan for or foresee in any meaningful sense.”

The eye-popping \$1 trillion stimulus certainly won't be the last emergency measure when it comes to fighting the coronavirus. The White House sent another \$45.8 billion request to Congress on Tuesday night to help shore up federal agencies on the front lines of the battle, including the departments of Defense and Health and Human Services. Many more billions will be requested for agencies for the new fiscal year that begins Oct. 1.

And there are already talks for more rounds of stimulus funding in the coming months, especially as tens of thousands of Americans across the country begin to file unemployment benefits.

“Everybody seems to want to go big, and they want to get to the recovery,” Trump said Wednesday of the \$1 trillion stimulus.

On a New York Times podcast, Gov. Andrew Cuomo (D-N.Y.) said the coronavirus crisis has made clear — even to critics — the importance and necessity of government. Facing perhaps the greatest crisis of his presidency, Trump seems to have quickly learned that lesson, invoking the Defense Production Act that would force American companies to manufacture medical supplies to help fight the virus.

Government, Cuomo said, “doesn’t matter until it matters.”