

# USA TODAY

March 27, 2012 Tuesday

## Romney seems unscathed over support of TARP; Bank bailout a moot issue for 2012 election?

By Jackie Kucinich, USA TODAY

Mitt Romney is regularly pilloried by his opponents for being too close to President Obama on health care, but hardly anyone makes a fuss anymore about his support for the 2008 financial industry bailout that Obama also embraced.

One of the most potent issues of the past two election cycles, the Troubled Asset Relief Program (TARP), appears to have lost its sting in 2012.

It wasn't too long ago Republican candidates found their support for TARP hung around them like an albatross, but since the 2010 midterm elections, voter outrage over the \$700 billion bailout of financial institutions appears to have waned.

The temperature has so cooled that Romney felt comfortable last week citing his support for the controversial measure to make the case President George W. Bush and his Treasury Secretary Hank Paulson -- not Obama -- deserved the credit for saving the U.S. from "a great depression."

"There was a fear that the whole economic system of America would collapse, that all our banks or virtually all (banks) would go out of business," Romney told a town-hall-style forum in Arbutus, Md. "In that circumstance, President Bush and Hank Paulson said, 'We've got to do something to show we are not going to let the whole system go out of business.' I think they were right. I know some people disagree with me, I thought they were right to do that."

Mark Calabria, director of financial regulation studies at the libertarian [Cato Institute](#) think tank, said some conservatives still oppose the bailout, but the growing assumption he will be the Republican presidential nominee has caused them to "pull their punches."

"Republicans are divided on it: (Some say) it was distasteful but had to be done; others say it was an abomination," he said.

Calabria said it was unlikely that TARP and the bank bailouts would become a general election issue if Romney is the nominee because his and Obama's positions "aren't all that different."

Two years ago, some Republicans found their vote for TARP was enough to draw a populist conservative opponent into the GOP primary.

Tea Party star Sen. Mike Lee won the Republican nomination over incumbent Utah Sen. Bob Bennett in part because Tea Party activists objected to Bennett's support of the bailout of the financial sector.

On Monday, Lee announced he was endorsing Romney.

Brian Phillips, a spokesman for Lee, said although the senator supports Romney for president, he does not agree with every stance Romney has ever taken and still opposes TARP.

Bennett, now a senior fellow at the Bipartisan Policy Center, said that for some "TARP will never go away," but the fact that major banks have paid back the loans with interest has silenced some critics.

"For the folks who stand around and say, as they did shouting at me two years ago, 'You poured \$700 billion down the drain in bailouts to the banks,'" Bennett said, "the facts are the banks paid it all back with interest; TARP turned out to be a bonanza for the taxpayers. And for the folks who understand that, who used TARP as a weapon in 2010, they don't want to bring it up again."

Although former senator Rick Santorum has warned Republicans that Romney would be unable to attack Obama on his health care overhaul because of a similar measure passed when Romney was governor of Massachusetts, pollster Scott Rasmussen pointed out that the health care law actually does better with voters than government bailouts.

He agreed that TARP would not play in 2012 but predicted it was merely dormant rather than gone forever. "It is a fantasy to believe that voters are coming around" on bailouts, he said.