

EXCLUSIVE

Biden wants a new stimulus 'a hell of a lot bigger' than \$2 trillion

In an interview, the 2020 candidate courts the progressive left by calling for a huge, new green infrastructure bill—while hammering banks, and Trump.



Democratic presidential candidate Joe Biden. | Scott Eisen/Getty Images

By **MICHAEL GRUNWALD**

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Joe Biden wants a more progressive approach to economic stimulus legislation than Washington has taken so far, including much stricter oversight of the Trump administration, much tougher conditions on business bailouts and long-term investments in infrastructure and climate that have so far been largely absent from congressional debates.

In a fiery half-hour interview with POLITICO, the presumptive Democratic

nominee sounded a bit like his angrier and less moderate primary rivals, Sens. Bernie Sanders and Elizabeth Warren, though in unexpurgated Biden style. The former vice president said the next round of coronavirus stimulus needs to be “a hell of a lot bigger” than last month’s \$2 trillion CARES Act, that it needs to include massive aid to states and cities to prevent them from “laying off a hell of a lot of teachers and cops and firefighters,” and that the administration is already “wasting a hell of a lot of money.”

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Biden has been running a low-profile campaign during the pandemic, tweeting, filming videos and appearing on Sunday shows from his Delaware home while President Donald Trump has briefed the nation daily from the White House. Biden has let House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer speak for the Democratic Party during the debates over economic relief, offering supportive public statements that have faded into the background.

But stimulus is a subject close to his heart, and he passionately contrasted his own management of President Barack Obama’s \$800 billion Recovery Act in 2009 with President Donald Trump’s approach to the trillions of dollars flowing out of Capitol Hill.



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BY HOLLY OTTERBEIN AND ALICE MIRANDA OLLSTEIN

The Obama stimulus was wildly controversial, but it won bipartisan praise for its strict oversight and unusually low levels of fraud. In the interview, Biden was at his most indignant when he recounted how he recruited a gruff law enforcement veteran and government watchdog named Earl Devaney to oversee the Recovery Act in 2009, and how President Donald Trump fired the Pentagon inspector general who had been selected to oversee the CARES Act almost immediately after he signed it.

“I wanted to bring in the toughest son-of-a-bitch in the country — I really mean it, I’m not joking — because we wanted to make sure we did it by the numbers with genuine oversight.” Biden said. “Right now, there’s no oversight. [Trump]

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The Trump campaign said it would not comment on the firing of Pentagon inspector general Michael Atkinson beyond the president’s public comments on April 4, when he attacked Atkinson for giving Congress the original whistleblower report about his call with the Ukrainian president that eventually led to his impeachment. “I thought he did a terrible job. Absolutely terrible,” the president said at the time. “He took a fake report and brought it to Congress, with an emergency. OK? Not a big Trump fan—that, I can tell you.”

Biden repeatedly unloaded on big business and big banks, noting that “this is the second time we’ve bailed their asses out,” accusing the Trump administration of managing the stimulus for their benefit. He railed about banks like Wells Fargo that are “only alive because of the American taxpayer” giving their large corporate clients the first shot at CARES Act aid intended for small businesses. Over the past month, 26 million Americans have lost their jobs, and Biden said many of those jobs could be gone for good if mom-and-pop operations get left behind.


“We knew from the beginning that the big banks don’t like lending to small businesses,” Biden said. “I’m telling you, though, if Main Street businesses don’t get help, they’re gone.”

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The CARES Act and three smaller coronavirus relief bills have all passed Congress with overwhelming bipartisan support, and Biden was careful to avoid criticizing Pelosi and Schumer even as he criticized the results of the compromises they negotiated. He said he’s “in constant conversation” with

both Democratic leaders, letting them know his priorities without interfering with their negotiations; he credited them with securing major increases in unemployment benefits and other improvements to Republican proposals that were initially skewed even further towards big business.

He was clearly disappointed that Pelosi and Schumer failed to secure any new aid to states in this week's \$484 billion package, but he suggested that could work out politically, because in the next round they'll be able to blame Trump and other Republicans for looming state budget cuts and layoffs of first responders.

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"They got what they could get," Biden said. "I've been in too many negotiations to second-guess anybody else's."

Still, Biden suggested that after four rounds of legislation designed primarily to stanch the economic bleeding, the next round should include more forward-looking investments that could help the economy start to recover and grow once the virus is contained. He suggested a "trillion-dollar infrastructure program that can be implemented really rapidly," as well as "dealing with environmental things that create good-paying jobs."

Trump and Senate Majority Leader Mitch McConnell have suggested that "green stimulus" would be a nonstarter with Republicans, but Biden said investments in light rail, clean drinking water, and half a million electric vehicle chargers on the nation's highways could help retool the economy for the

future.

Biden also argued that long-term growth initiatives are America's only hope to rein in a budget deficit that has suddenly ballooned to an unprecedented \$4 trillion, and is sure to continue to expand as Washington continues to spend. He said that repealing the bulk of Trump's \$2 trillion tax cut would help limit the red ink — "It wasn't worth the powder it will take to blow it to hell" — but ultimately, investing in the future is "the only thing that grows the economy back so the deficit doesn't eat you alive."

After this story posted, Trump campaign spokesman Tim Murtaugh accused Biden of trying to exploit the coronavirus crisis to push a Green New Deal, which Murtaugh said would create "millions of job losses in the energy sector."

"Joe Biden helped preside over the worst economic recovery since World War II, so economic advice from him is not exactly a hot commodity," Murtaugh said.

Biden has loved talking about stimulus ever since he ran the Recovery Act, and he sounded comfortable returning to the topic from his Delaware home, although there were a couple of typically hard-to-follow tangents, and one brief

coughing interruption that he attributed to swallowing a peanut the wrong way.

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His main theme was the contrast between his legendary harassment of the Cabinet secretaries, governors and mayors in charge of spending Recovery Act dollars—he reminded me that he spoke with every governor except Alaska’s Sarah Palin, most of them repeatedly—and “the malpractice of this administration.”

“There’s no coordination. There’s no accountability. Come on, the guy waits to hold up money because he wants to make sure his name is on the checks!” Biden said.

Biden has been firing off a steady stream of tweets attacking Trump for failing to make sure America has enough tests and protective equipment, for complaining about his media coverage, and most recently for suggesting that drinking bleach might help cure the virus. But while Biden clearly hopes to persuade some 2016 Trump voters to back him in November, he also needs to make sure that progressive Sanders and Warren supporters don’t stay home.

This week, Biden has taken flak from the left for including the corporate-friendly Democratic economist Lawrence Summers on internal calls. But on Friday night, he denounced corporate America as “greedy as hell,” echoing the structural critiques of the modern economy that fueled the Sanders and Warren campaigns.

He called for stronger assurances that small-business loans will go to small businesses, and that aid to larger corporations will come with strings prohibiting stock buybacks, executive bonuses or worker layoffs. But he also went beyond policy prescriptions, saying the pandemic might convince Americans that grocery clerks “and all the other folks out there saving our rear ends and risking their lives for eight bucks an hour” deserve a better deal. He thinks there could be a backlash against big corporations who have poured their profits into buybacks and dividends rather than worker training and research and development. He thinks the virus could deal a blow to short-term economic thinking and anti-government political thinking.

“I think there’s going to be a willingness to fix some of the institutional inequities that have existed for a long time,” Biden said. “Milton Friedman isn’t running the show anymore.”