



Forbes: Include A Green New Deal In The Stimulus Package

Green New Deal spending is counterproductive , if not outright damaging, to economic recovery, but it will usher in a new era of control over resources, production and consumption. The GND is an illusion with no substance. □ TN Editor

It feels an awful lot like 2008. With the economy going off the cliff, then candidate-Obama had proffered a massive \$1 trillion stimulus plan or about 4.5% of the gross domestic product. The critics went wild, calling it the epitome of big government and argued that free-market forces would realign the economy.

That was then. But now that the Republicans control the White House, they too are trying to write a \$1 trillion stimulus package — one that is 4.5% of the gross domestic product and one that could possibly bail out sick oil and gas producers. Such strategies have been anathema to their thinking; President Obama received no Republican votes for his 2009 tax package.

But such financial injections are necessary during recessions and to avoid potential catastrophes. The question that both parties must resolve now is just where to infuse that capital: last evening, the president

signed an emergency-aid bill to help those impacted by the coronavirus. Next up, though, is a stimulus plan to assist small business and large industry — monies that go to green energy and infrastructure.

The White House and the Congress already implemented a major cut that was worth at least \$1 trillion, causing the federal debt to soar. At the same time, the Federal Reserve Board just lowered interest to 0% while also buying up bonds to inject liquidity into the economy and to increase consumer and business confidence. What that means is that there are not a lot of levers to pull.

The coronavirus is spreading. The financial markets have taken a nosedive. And now governments around the world must act collectively to slow the transmission while ensuring consumers. In the United States, it means a multi-pronged stimulus plan.

“We’re going big,” Trump said. “We want to go big, go solid.”

On the table at present are about \$500 billion in tax cuts or direct payments to hard-hit workers as well as \$300 billion in small business loans. And the last leg of the package involves financial bailouts of up to \$100 billion: the airline industry is ailing through no fault of its own. But an oversupply of oil coupled with the desire to curb carbon emissions does not qualify the fossil fuel sector for any relief. Consider that Chevron, ConocoPhillips, ExxonMobil and Royal Dutch Shell have armies of lobbyists roaming Capitol Hill to protect their tax breaks.

The time may, therefore, be right for a Green New Deal. The Republicans can no longer argue that they are against government stimulus plans. The only thing they can debate is where to invest the public funds.

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