Pelosi-Mnuchin Talks Drag, Likely Pushing Stimulus Past Election

- Senate GOP resistance to White House offer grows stronger
- Pelosi acknowledges post-election votes are possibility

By Erik Wasson and Billy House | October 23, 2020 4:00AM ET

Prospects for a U.S. stimulus package passing Congress before the Nov. 3 election are fading fast as House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin dicker over the details of a nearly $2 trillion aid package.

With the pace of talks dragging, resistance from Senate Republicans is building and President Donald Trump’s ability to twist arms into supporting a deal appears to be waning. Now some House Democrats are telling Pelosi that they don’t want to vote on legislation before the election if the Senate won’t do so, according to a party official.

Putting off votes on a stimulus package until after the election raises the risk that the Trump administration will be less inclined or able to push a package through the GOP Senate. That likely would be amplified if Trump loses to Democrat Joe Biden and Republicans lose their Senate majority -- leaving action on stimulus for the pandemic-stricken U.S. economy until late January at the earliest.

While Pelosi reported progress early Thursday on a virus testing, tracing and vaccination strategy -- a key piece of the bill -- the same sticking points on state and local aid that have bedeviled the talks remain with a week and a half to go before the nation votes.

Committee Work

Neither the speaker’s office nor the Treasury announced any discussions Thursday between Pelosi and Mnuchin. Pelosi said that talks had slowed as committee chairs in the House and Senate have become involved in working out myriad lesser details.

Pelosi said that the House still has time to vote on a stimulus bill before the election, but it depends on the administration making further compromises. She acknowledged that the Senate may not have time to act.

“If we can get agreement, I think we can,” she said of bringing a bill to the House floor next week. “I can’t answer for the disarray on the Senate side.”

Senate Appropriations Chairman Richard Shelby of Alabama said he’s among Republicans in the chamber who have been frustrated by the lack of details they’ve gotten from Mnuchin about the talks.

Midnight Approaching

“A lot of the top line he is talking about is big -- but we haven’t seen anything,” Shelby said, expressing doubt that a stimulus could be finished before the election. “I think it’s about two minutes to midnight, and we’re not going to pass anything until we see the particulars.”

He said that while a pre-election vote is possible, it’s “probably not going to happen.”
Trump Thursday night repeated his charge that Pelosi “does not want to approve” a deal because she thinks it gives her an electoral advantage. “She thinks it helps her,” he said in his second and final debate with challenger Joe Biden. He also repeated his criticism that Democrats want money for states and local authorities to bail out “badly run” Democratic locales.

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When Biden highlighted that Senate Republicans don’t want to proceed with a deal, Trump pledged that if an agreement is made, “Republicans will pass it.”

Economic Impact

The impact on the U.S. economy of a failure to agree on a stimulus could be substantial.

Diane Swonk, chief economist at Grant Thorton, estimated Thursday that if Congress fails to enact any new package, economic output by the end of 2023 would be $1.2 trillion less than with a Pelosi-Mnuchin deal. Pre-pandemic employment levels would not be reached until 2024, a year later than with stimulus.

“The prospect of waiting until January or February looks like an eternity if you can’t feed your family for a week now,” Swonk wrote in a note to clients.

Senate Republican opposition both to the price tag and the specific policies the White House is agreeing to has grown. Lawmakers are also eager to campaign at home in the final days before the election. Senate Majority Whip John Thune has said there wouldn’t be the bare minimum 13 GOP votes needed to pass a bill in the range of the $2.4 trillion measure Pelosi wants.

McConnell has made no promises on when the Senate might take up any agreement, and some senior GOP lawmakers expressed skepticism whether the chamber would vote on one, even after the election.

Trump and his allies have characterized the almost $500 billion in aid to state and local authorities that Pelosi wants as an effort to bail out poorly run, Democratic states.

Pelosi said Thursday she is flexible, but there was a limit to how much House Democrats would be willing to give up.

“We wouldn’t take less of a bill to get it sooner,” she said. “We want the best bill in range.”

- With assistance from Max Reyes.