



## **The GOP is attacking socialism, but Trump Fed pick Stephen Moore pits capitalism against democracy**

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“Capitalism versus socialism,” reads the Republican 2020 bumper sticker. Now, one of President Donald Trump’s Federal Reserve picks has written an alternative Democrats like better.

That new framework is “capitalism versus democracy.” Whether or not he ever takes a Fed board seat, Stephen Moore has brought that less-flattering trade-off into focus.

Moore, after years with the Heritage Foundation, Cato Institute, Club for Growth and Wall Street Journal editorial board, represents mainstream Republican economic thinking. As he awaits formal nomination by the White House, no GOP senator has opposed him.

But the scrutiny underway since Trump tweeted his intent to nominate Moore highlights a theme Republicans rarely emphasize: That democracy, rather than being the well-spring of the American system, can be used as a weapon for struggling have-nots to prey on the affluent by seizing their wealth.

“Capitalism is a lot more important than democracy,” Moore once told a documentary filmmaker. “I’m not even a big believer in democracy. I always say that democracy can be two wolves and a sheep deciding what to have for dinner.”

Republicans have long invoked the specter of “socialism” in opposing Democratic proposals to expand government by levying taxes to finance benefit programs. They used that rationale to oppose the creation of Social Security in the 1930s, Medicare and Medicaid in the 1960s, and Obamacare a decade ago.

Lately, a few prominent Democrats have made that charge easier to make. The front-runner among declared 2020 presidential candidates, Sen. Bernie Sanders of Vermont, calls himself a democratic socialist; so does fiery first-term Rep. Alexandria Ocasio-Cortez of New York, which explains why conservatives shower her with attention.

In reality, both parties traditionally have supported neither socialism nor unregulated capitalism. Instead they back the “mixed economy” that exists throughout Western societies — Democrats preferring more government regulations and services to temper market outcomes, Republicans fewer.

But the rising influence of unalloyed conservatism since the Reagan era has increasingly placed GOP economic policies at odds with the preferences of the electorate.

Voters want to preserve major benefit programs while raising taxes on major corporations and wealthy Americans. A Democracy Fund study of Trump voters following the 2016 election found that, among the core supporters who propelled Trump to the GOP nomination, 75% favor higher taxes on the rich.

Republican policymakers, by contrast, view the giant Social Security, Medicare and Medicaid programs as fiscal burdens. And they oppose higher taxes not just on practical grounds but in principle, as improper confiscation from owners of property.

When President Barack Obama proposed tax hikes on private equity executives in 2010, Blackstone Group billionaire Steve Schwarzman, now an outside Trump advisor, declared it “like when Hitler invaded Poland.” In a radio interview unearthed by CNN, Moore called the early 20th century constitutional amendment permitting a federal income tax “the most evil act that has passed in 100 years.”

Ex-House Speaker Paul Ryan used to call 60% of Americans “takers” who consume more services than they paid for in taxes, and the other 40% “makers” stuck with the bill. In 2017, Trump budget director Mick Mulvaney derided deficit-spending on government programs as “theft” from taxpayers.

“We will reverse that larceny,” Mulvaney wrote in a newspaper column. Trump and the GOP Congress subsequently enacted a large tax cut benefiting businesses and the wealthy more than everyone else.

Those priorities have grown ever harder to sustain in an age of stagnant working-class wages and widening income inequality. As Democrats have won the popular vote in six of the past seven presidential elections, Republicans have increasingly sought to impede steps to make voting easier, most conspicuously through new voter identification requirements.

When newly empowered House Democrats this year passed legislation to make voting easier and reduce partisan gerrymandering, the GOP response highlighted its predicament. “A power grab,” declared Senate Republican Leader Mitch McConnell.

Now Democratic presidential candidates have upped the pro-democracy ante with plans to expand the Supreme Court, abolish the Electoral College and eliminate the Senate legislative filibuster. South Bend Mayor Pete Buttigieg, a former McKinsey business consultant, specifically repudiated Moore’s assertion that capitalism matters most.

“America is a capitalist society, but it’s got to be democratic capitalism,” Buttigieg told NBC’s “Meet the Press.” “If you want to see what happens when you have capitalism without democracy, you can see it very clearly in Russia. It turns into crony capitalism. And that turns into oligarchy.”