



Biden plans biggest spending binge since Lyndon Johnson

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President Biden and congressional Democrats are preparing to embark on one of the largest spending sprees since Lyndon Johnson was in the White House.

The \$1.9 trillion spending package Biden signed into law last week that he said was needed to deal with the COVID-19 pandemic, passed on a party-line vote by the narrowly Democratic-controlled Congress, was just the beginning. A massive infrastructure bill is in the works that is expected to cost at least \$2 trillion.

Former President Donald Trump and Republicans in Congress were no shrinking violets when it came to federal spending, either. Trump signed into law an even bigger coronavirus package, the \$2.2 trillion CARES Act last year, and another \$900 billion in economic assistance before leaving office. Budget deficits in excess of \$1 trillion a year were set to return under Trump even before the pandemic hit, a fact that could undercut GOP efforts to restrain Biden's spending.

But Democrats under Biden are seeking permanent expansions of the American welfare state through their wish list spending packages. "It's the biggest increase in the size and scope of the federal government since the Great Society or New Deal," said Tom Schatz, president of the right-leaning group Citizens Against Government Waste.

"Biden's plan for expanding the federal government may be even grander than pursued by LBJ in the 1960s," said Chris Edwards, director of tax policy studies at the libertarian Cato Institute. "LBJ undermined state fiscal autonomy by creating hundreds of new aid-to-state programs. But Biden and the Democrats want to ratchet up intervention into state affairs with unprecedented subsidies and strings attached. The stimulus bill's provision to restrict tax cuts is an extraordinary intrusion on state budgeting."

The *Washington Post* went a step further, reporting that Democrats regard the stimulus as "the furthest-reaching social welfare bill since the Great Depression," exceeding Obamacare. "Stimulus as a political weapon?" the *New York Times* asked in a headline. "Democrats are counting on it."

A key difference is that the New Deal, Great Society, and even Obamacare were all passed when Democrats enjoyed huge majorities in both houses of Congress. The Senate is split 50-50, only under Democratic control because of Vice President Kamala Harris's tiebreaking vote. Their House majority is only barely larger, as Democrats can afford to lose only three votes on most legislation if Republicans remain united in opposition.

Johnson defeated Republican Barry Goldwater in a 44-state landslide in the 1964 presidential election, winning over 61% of the popular vote. Biden took 51.3% of the vote against Trump in a

coronavirus-ravaged economy and came within 43,000 votes in key battleground states of losing in the Electoral College.

Democrats plan a transformative legislative agenda anyway. “The federal government has long aided states on highway spending, but Biden plans to add infrastructure subsidies for private infrastructure as well, including broadband, electricity, automobile facilities, and commercial buildings,” Edwards said. “That is a dangerous path to go down. Private industry will get hooked on federal subsidies, and the feds will manipulate private investment with a slew of labor and green regulations tied to the subsidies.”

The end result could make the architect of the Great Society look like a piker. “Biden's domestic spending proposals are bigger than LBJ's and even less affordable,” Edwards continued. “Under LBJ, federal debt was less than 40% of GDP and falling, but now, it is over 100% and rising dangerously even before infrastructure spending.”

Biden is already planning a national tour to promote the spending bill he just signed. “The tour will make clear that help is here and that we are on the path towards crushing the virus and rebuilding our economy,” White House press secretary Jen Psaki told reporters at Monday’s briefing.

Congress is also poised to bring back earmarks, which allow lawmakers to direct funding to local projects. The practice was banned under heavy criticism that it led to wasteful pork-barrel spending, corruption, and increased expenditures overall. “More earmarks mean more spending,” Schatz said. Rep. Katie Porter, a California Democrat representing a swing district, penned a *Wall Street Journal* op-ed opposing their resumption.

“I cannot in good conscience participate in politically motivated earmarking that puts an elected official’s interest over the national interest,” Porter wrote. “Neither should my colleagues.”

Earmarks could entice Republicans to defect and vote for the infrastructure bill, a temptation they eschewed with the stimulus legislation. But they could also create poor optics for Democratic spending plans. “I think the earmarks are going to cause the Democrats a real problem, especially if Republicans refuse to take them,” Schatz said.

The temptation to keep increasing federal spending will nevertheless remain strong, especially for Democrats seeking to hold on to their fragile majorities in next year’s midterm elections. “They voted for the first \$2 trillion, what’s another \$1 trillion?” Schatz added.