



## Is Trump a bigger socialist than Biden?

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Shikha Dalmia

One big talking point that Republicans are hammering against Democratic presidential nominee Joe Biden is that he is a socialist. Vice President Mike Pence has warned that Biden would set America "on a path of socialism and decline." Senate Majority Leader Mitch McConnell, who had already decided to make this election a "referendum on socialism" last year before Democrats had even picked their nominee, recently accused Biden of harboring a socialist agenda. And, of course, President Trump has called Biden a "Trojan horse for socialism."

Is he? In one sense, yes. But in that same sense, Trump is too.

Full-blown socialism of course means abolishing private property and putting industry under direct government control. The manufacturing and distribution of goods is nationalized. Government bureaucrats establish production quotas, set prices, and determine consumption, usually via rationing. This is what Vladimir Lenin did to the Soviet economy after the 1918 Bolshevik revolution and the Venezuelan dictator Hugo Chavez did to vast sections of his country almost a century later.

Neither Biden nor Trump are socialists in this robust sense. However, in common parlance, socialism has come to mean an expansive economic role for the government via federal spending on the one hand, and industry mandates and regulations on the other. By this definition, Cato Institute's Scott Lincicome tells me, both candidates are socialists, just different versions.

Neither has any compunctions about using massive deficit-spending to boost economic growth. Neither is averse to picking economic winners and losers by helping industries they favor and crippling those they don't via regulations and mandates. Trump, Lincicome notes, has been quite adept at using Uncle Sam to slam industries that hurt his America First agenda — and boost those that help it. Biden, meanwhile, is a typical Democrat who wants to use Big Government to tax rich companies and individuals and pursue a redistributive liberal agenda.

Trump points to his tax cuts and deregulation to make the case that he's an anti-socialist who has shrunk the size of government. The trouble is that his tax cuts have been accompanied by massive increases in government spending, ballooning deficits and debt and setting the stage for tax hikes on future generations (or bankruptcy, which he has openly said he's fine courting). So Trump's anti-socialism consists of expanding government spending now and kicking the payment for it down the road.

Universite du Quebec's Pierre Lemieux notes that in 2019, the U.S. deficit touched \$984 billion. That's almost double the \$585 billion deficit that Trump inherited from his predecessor. Correspondingly, the federal debt in 2019 was 14 percent greater than in 2016 adding up to a whopping \$22.7 trillion — a trillion dollars more than the total U.S. economy. Democrats of course never say "no" to government spending. But for the first two years of the Trump presidency, Trump's own party controlled the House and the Senate. So if Trump had the inclination, he could have reined in spending, or at least flat-lined it. But that would have required tackling popular old-age entitlement programs such as Medicare and Social Security, which constitute almost half of the federal budget.

Trump, however, made a deal with Democrats, handing them more entitlement spending in exchange for more defense spending. The upshot, as my *Reason* colleague Matt Welch has noted, is that under Trump, the annual price tag of government went up by \$937 billion in less than four years in contrast to the \$870 billion price hike during Obama's eight years. But Obama's hike included the tab for government spending on the financial meltdown. Trump's \$2.35 trillion in direct coronavirus-related government spending, by contrast, is extra. And he's not done yet. He is now urging GOP lawmakers to give up whatever nostalgia they have for the halcyon days when fiscal responsibility was their mantra and "go for the much higher [spending] numbers" to boost the economy and show those "heartless" Democrats.

To be sure, Biden is no slouch when it comes to doling out government largesse. And his Build Back Better plan to rejuvenate America visualizes spending \$5.35 trillion over 10 years just on education, infrastructure and health care (any emergency would be extra). If Biden gets his way, that would boost the debt to 24 percent of the GDP. That's three percentage points more than right now — and equal to the chunk of the economy Uncle Sam was consuming during World War II. Biden plans to pay for all this by repealing Trump's tax cuts for corporations and high earners. The right calls this socialism, but it is far from clear why taxing and spending in real time qualifies as socialism and spending now and taxing later doesn't.

But what about Trump's rollback of the regulatory state? Doesn't that count? It would have if Trump had built on his record in the first half of his term when he was cutting two existing federal regulations for every new one. This resulted in some genuine rollbacks. But according to the free-market Competitive Enterprise Institute, two of whose staffers actually served on Trump's transition team, Trump has since reversed course. Its 2020 annual compendium of regulations, *Ten Thousand Commandments*, lamented: "Trump cuts, but Trump also adds."

The report based its conclusion on "Trump's proclivity to trade restrictions" and his "ad hoc zeal" for antitrust action against Big Tech. On the trade front, "the tariff man," as Trump proudly refers to himself, has demanded that America's trading partners pledge reciprocity in purchasing American goods as part of any trade agreement. That severely crimps the scope of these deals. Worse, in his MAGA (Make America Great Again) zeal, he issued twin executive orders last year mandating the use of American products in federal contracting and infrastructure — apparently unperturbed that the resulting cost hikes in government projects are essentially a tax on Americans.

Meanwhile, using antitrust laws to challenge the alleged monopoly power of giant corporations was the province of Democrats. But thanks to Trump's personal animus toward Big Tech, CEI notes, he has "casually invoked antitrust action" against tech and telecom companies such as Amazon (whose founder publishes *The Washington Post*), Google, Time Warner, Facebook, and others. He created a technology task force last year with the express purpose of policing Big Tech. Even though few of its investigations have yielded fruit, the barely-veiled politicization of executive agencies has set a terrible precedent.

And then there's the president's record on immigration. Trump has used the regulatory state for aggressive labor market interventionism to advance his MAGA agenda. He has not spared the hitherto sacrosanct H-1B visa program for foreign professionals that even restrictionist conservative pundits believe is good for America. Even before COVID-19 hit, he had wrapped this visa in so much red tape as to make it virtually unusable. Now, he has just shut down the program along with virtually all immigration until the end of the year. Moreover, he has done so not to protect Americans from the pandemic, but from foreign competition. But there is no need for such affirmative action for natives, because immigrants often occupy sectors where Americans are either unwilling or unavailable to do the jobs.

By contrast, unlike Trump, Biden's rhetoric depicts immigrants not as an economic liability but as an asset. He has pledged to revoke Trump's H-1B visa ban and eliminate national quotas that force nationals from India and China to wait decades to get their green cards. So on immigration, Biden is likely to be a clear win for the cause of deregulation.

On trade, the picture is more mixed given that instead of distancing himself from Trump's MAGA rhetoric, Biden, who, after all, leads the party of labor unions, is touting his own version of economic nationalism. China bashing was a Democratic sport before Trump ran with it. Biden, therefore, is unlikely to fully retreat on that front, although he is unlikely to pursue the crusade to eliminate the trade deficit with the Middle Kingdom with as much quixotic zeal. He'll also almost certainly rebuild America's relations with global trade institutions. "Biden will be less openly hostile to foreign trade as President Trump, but shouldn't be expected to usher in a new era of pro-trade policies," Lincicome points out.

Where Biden will be clearly worse than Trump is on carbon trade policy. In the name of fighting climate change, he might very well try to impose pollution tariffs on high greenhouse-gas-emitting countries, triggering a global trade war not unlike the one Trump ushered. Indeed, even though Biden is making an effort to distance himself from the Green New Dealers in his party right now (he has resolutely resisted their calls to ban fracking), he has declared that he wants 100 percent clean energy by 2035 and will likely push aggressive clean energy mandates and subsidies to achieve that objective.

But, then, Trump has maintained a web of ethanol tariffs on foreign producers and ethanol mandates on domestic oil refiners to help red agricultural states like Iowa — even though such interventionism results in a net redistribution of wealth from consumers to producers via higher energy costs without producing notable environmental benefits. And it isn't just a perverse

ethanol regime that Trump has maintained to help ag states. He has also doled out nearly \$20 billion in bailout money to them to offset the cost of China's retaliatory tariffs.

Socialism historically has been considered the province of the left given its crusade for economic equality. But socialism understood as aggressive economic interventionism is as much part and parcel of a right-wing agenda of national greatness. After all, the modern welfare state emerged in 19th-century Germany under the conservative rule of Bismarck.

Trump will pursue socialism to advance a full-throated economic nationalist agenda, Biden some mix of economic equality and environmental protection. They are both equally susceptible to the lure of the strong arm of the state to accomplish their disparate ends.