

# The Telegraph

## The American Right is failing to challenge Biden

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Joe Biden was elected a moderate but will radically broaden the US federal government's scope if he gets his way.

In a Congressional joint session on Wednesday, the president trailed a "Families" plan that would increase welfare state spending by an average of \$180bn (£130bn) a year.

That comes on top of a proposed \$2.25 trillion (£1.6 trillion) infrastructure splurge, itself hot on the heels of the \$1.9 trillion Covid "stimulus" in March. A trillion here, a trillion there - pretty soon you're talking real money.

Biden, a 78-year-old political veteran, is perhaps an unlikely epoch-shifting leader. But given the paucity of Republican opposition to date, he could broaden the contours of government in economic life by far more than his precarious Senate majority should allow.

Here is a president proposing the biggest welfare state expansion since Lyndon B. Johnson, while arguably championing the most significant labour market overhaul since FDR. And yet there is little concerted Republican critique to his plans.

In the face of a compliant media and a Democratic Congress, the odds are stacked against a conservative counterassault in any battle of ideas. So far, the Republicans haven't bothered to turn up to fight.

In fact, it's been stalwart Democratic economists, such as Larry Summers, who have delivered the strongest dissent to Biden's agenda, and then on fairly narrow grounds. In February, the former Treasury Secretary sounded the alarm on how Biden's "stimulus" risked causing inflationary pressures that could be difficult to contain.

Similarly substantive warnings about Biden's power grab on infrastructure, childcare, or plans to regulate and unionise America's labour market have not been forthcoming. Polling shows a plurality of Americans think the government is spending too much and that a majority wants spending cuts to fund infrastructure investment. Republicans fail to even express these widely held sentiments.

In fact, even in areas where Republican stances are usually most strongly held - on taxes and regulation - conservative complaints have been muffled. This all partly explains why Biden feels emboldened enough to propose hiking all of the top marginal income tax rate, the corporate tax rate, and capital gains tax rate, as well as gutting cost-benefit analysis for new regulations, and embracing aggressive carbon mitigation.

Three explanations have been posited for why Republicans have been so supine on economics as the Biden steamroller advances.

First, Trump's 2016 victory then 2020 defeat has distorted the Republican party's own ideological priors on economics. The former president's success five years ago convinced certain pundits and politicians that the party's future was working class populism. Aiming to attract these "blue collar" voters, in this view, necessitates a commitment to Trump's trade protectionism, and creates a reluctance to oppose Biden's planned minimum wage hikes, industrial policy, or infrastructure investment. All are seen as popular among the new target electorate.

Add to this other Republican politicians, including former presidential candidate Mitt Romney, who believe the free-market core principles of the party should be softened via family-friendly tax credits, and no unifying position emerges on the role of the state.

Without a leader's vision, the GOP is pulling in multiple different economic directions. They can't even bemoan Biden's waterfalls of red ink when the flood started under their president. Recent experience has therefore left them both disarmed from using the easiest critique, as well as divided on what to say instead.

Second, a lot of the GOP is now convinced that culture wars, rather than economics, are the most important political arena. As Biden's American Rescue Plan stimulus was being passed, Republican House Minority leader Kevin McCarthy was instead focused on publicly objecting to Dr. Seuss Enterprises' decision to discontinue printing six old books because of alleged "racist" and "insensitive" imagery.

Democrats were advancing legislation that would pay 37pc of the population more in unemployment benefits than their wages and sending \$1,400 cheques to most taxpayers, in other words, while elected Republicans and conservative media talking heads bemoaned Dr. Seuss as the latest example of "cancel culture".

This is just the tip of the iceberg. Biden's massive "infrastructure" bills have gotten conservative pundits far less animated than Major League Baseball's decision to move its all-star game away out of Georgia in opposition to a Republican voting reform bill, for example.

Now these warped priorities might not matter so much if free market economists and commentators - those "outrider" experts - were filling the void in critiquing Bidenomics through op-eds, media appearances, and open letters.

But as Nobel prize winner Paul Krugman has noted, this isn't happening. In sharp contrast to the first term of President Obama, when there was major opposition from economists to stimulus, or

even conservative wonks' support for President Trump's tax plan, economists who oppose Biden's agenda in private have largely sat it out in public so far.

This reluctance to engage is driven in part because of Republican's own ideological shifts away from free-market economics. Senators, such as Missouri's Josh Hawley, publicly denounce classical economic thinking at every turn. The storming of the Capitol building by Trump supporters on January 6 has likewise made the Republican brand toxic in elite academic circles anyway. Why risk being perceived to go out to bat for the GOP by attacking the president who opposed them? Riots are coalition-destroying.

It's the US people, though, that suffer from the absence of any meaningful critique of, or opposition to, Biden's agenda. And while, so far, Republicans console themselves that much of what Biden has achieved via legislation is only temporary, his Congressional address highlighted ambitions to permanently entrench activist policies that would be difficult to disentangle. With elections in 2022, Republicans need a coherent economic opposition to this juggernaut, and soon.

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