



Written by [Veronika Kyrylenko](#) on August 26, 2025

Trump Pushing to Expand Government Stake in Private Industry

Following last week's acquisition of a stake in Intel, the Trump administration is pressing ahead. Officials now suggest defense contractors, as well as companies in other industries, will be next. The plan marks a dramatic escalation in how Washington engages with the private sector. The government is no longer just regulator and subsidizer, it is now becoming shareholder.

The White House frames this shift as the foundation for a new "sovereign wealth fund." Critics see the move as "socialist," and even "fascist."



AP Images

The Intel Deal

On Friday, the Trump administration made the United States a shareholder in one of the country's largest chipmakers.

With his characteristic bravado, President Trump declared, "The United States of America now fully owns and controls 10 percent of Intel, a Great American Company that has an even more incredible future." He said the government "paid nothing" for the shares.

<https://twitter.com/TrumpTruthOnX/status/1959000698546528329>

On Monday, seemingly responding to sharp criticism from various fronts, the president reiterated the claim. He insisted that he "PAID ZERO FOR INTEL" and quipped, "Why are 'stupid' people unhappy with that?"

<https://twitter.com/TrumpTruthOnX/status/1959982589474963624>

[Intel's Friday announcement](#), however, outlined a clear investment. The government is purchasing a 9.9-percent stake in Intel for \$8.9 billion, funded by \$5.7 billion in CHIPS and Science Act grants and \$3.2 billion from the Pentagon's Secure Enclave program.

The deal comes without board representation or direct governance rights.

Intel CEO Lip-Bu Tan called the agreement a defining moment, saying, "Intel is deeply committed to ensuring the world's most advanced technologies are American made." He added, "President Trump's focus on U.S. chip manufacturing is driving historic investments in a vital industry that is integral to the country's economic and national security."

Commerce Secretary Howard Lutnick echoed the sentiment: "Intel is excited to welcome the United States of America as a shareholder, helping to create the most advanced chips in the world."

The investment comes as Intel pushes forward a \$100 billion U.S. manufacturing expansion, including new fabrication sites in Arizona. Industry leaders at Microsoft, Dell, HP, and AWS praised the deal as a critical step to rebuild America's semiconductor base.



“Many More” Deals

The Intel transaction is not just a one-off. On Monday, Kevin Hassett, the National Economic Council director, labeled it a “down payment” toward a U.S. sovereign wealth fund. He said the government would likely repeat the approach, possibly outside the tech sector. Hassett [told CNBC](#),

The president has made it clear all the way back to the campaign, he thinks that in the end, it would be great if the U.S. could start to build up a sovereign wealth fund. So I’m sure that at some point there’ll be more transactions, if not in this industry then other industries.”

Trump confirmed the intent from the Oval Office. Asked if “nationalizing the private companies” was “the new way of doing industrial policy,” the president replied, “Yes, sure it is. I want to try and get as much as I can.” He added that he hoped to see “many more cases like Intel.”

<https://twitter.com/onyx848/status/1960078419540263312>

Expansion Into Defense Firms

On Tuesday, Lutnick revealed that the administration is eyeing equity stakes in defense and munitions firms.

<https://twitter.com/disclosetv/status/1960327335632073094>

He cited companies such as Lockheed Martin, whose revenue comes mostly from government contracts, as natural fits. He argued that investments can be justified if the government adds “fundamental value.” Referring to Defense Secretary Pete Hegseth and other senior defense officials, Lutnick added, “These guys are on it and they’re thinking about it.”

Sovereign Wealth Fund

The latest move signals a seismic shift in U.S. economic strategy. On February 3, President Trump issued an [executive order](#) directing the Treasury and Commerce secretaries to devise a plan for establishing a sovereign wealth fund. The goal, he wrote, is “to maximize the stewardship of our national wealth for the sole benefit of American citizens,” promoting fiscal sustainability, lessening tax burdens, and advancing U.S. economic and strategic leadership abroad.

Globally, sovereign wealth funds are not unique. More than 80 countries operate at least one, and the [Global SWF tracker](#) counts more than 400 sovereign investors worldwide. Those include pension and state funds. The biggest players — Norway, China, Singapore, Saudi Arabia, and the United Arab Emirates — each hold more than \$1 trillion in assets. Their funds are built on surplus wealth: oil in Norway, gas in Qatar, trade reserves in Singapore, etc. Designed as long-term vehicles, they provide stability, generate returns, and insulate national budgets from shocks.

America has no such cushion. It runs [chronic deficits](#) rather than surpluses, leaving no natural pool of capital to seed a sovereign wealth fund. That raises urgent questions. Would the money come from new debt, redirected subsidies, or asset sales — and how much risk would taxpayers be forced to shoulder? Does the president even have the authority to repurpose programs such as the CHIPS Act, or any other legislation, without Congress? How would the fund itself be structured, who would make the investment calls, and what safeguards could keep it free from political interference? And most importantly, who would ultimately control the levers of ownership once Washington becomes a shareholder in private industry?



Become Like China to Beat China?

Supporters see opportunity in Trump's plan. Former Intel CEO Pat Gelsinger argued in a *Wall Street Journal* op-ed that a U.S. sovereign wealth fund could supercharge national leadership in semiconductors, AI, and quantum computing — sectors where patient capital is scarce but essential. To compete with China, [he suggested](#), America might need to borrow from Beijing's playbook of state-backed investment.

The policy also found resonance across a seemingly unlikely spectrum. Senator Bernie Sanders (I-Vt.) — a frequent Trump critic — voiced support for the core principle. He told [Reuters](#), "If microchip companies make a profit from the generous grants they receive from the federal government, the taxpayers of America have a right to a reasonable return on that investment."

On Tuesday, [Barron's](#) reminded that Sanders, along with Senator Elizabeth Warren (D-Mass.), were once the original brainpower behind the Intel deal.

Beyond Free Markets

Skeptics in many quarters warn that Washington is venturing into hazardous territory.

At the heart of the critique lies a deeper principle: The very notion of government intervening directly in private business runs against American free-market ideals. Senator Rand Paul (R-Ky.) [captured](#) this concern bluntly: "Today it's Intel, tomorrow it could be any industry a future Commerce Secretary decides to control." He cautioned that if conservatives back the plan now, they risk providing Democrats with a template to expand government ownership in the future. "Socialism is literally government control of the means of production," he said.

Yet not all critics see this as socialism. Some argue the model looks closer to fascist corporatism. As *The New Republic* [noted](#), the president is not nationalizing industries for collective ownership, as seen in modern democratic socialism. Instead, he is bending companies to his will while eroding constitutional limits. The distinction is important. Socialism, in theory, spreads ownership across the state or society. Fascist corporatism, by contrast, centralizes authority in the executive. It fuses state and corporate power, and leaves firms dependent on political loyalty instead of market discipline.



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