Oxymoron: Warren decries ‘centralized power’; demands more gov't

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Sen. Elizabeth Warren, D-Mass., imagines herself a modern-day “trust-buster,” but she might want a lesson in history and economics before she embraces that mantle.

In her lunchtime address at the 2017 Center for American Progress “Ideas Conference,” Warren lamented that Americans are suffering from the effects of “centralized power” in politics and the marketplace, before prescribing her fix-all solution: more government.

Invoking the image of fellow progressive Teddy Roosevelt, Warren championed using old Progressive-era laws to crack down on and break up big businesses to, ostensibly, benefit Americans who are suffering from what she believes are the effects of consolidated markets.

During her speech, Sen. Warren decried the practice deregulation, saying that they make things easy for these caricatured CEOs to meet in backrooms with brandy and fat cigars to plot their diabolical exploitation of the American worker. Without liberal-appointed white-knight regulators checking them at every turn, why how in the world would we stop such a people from seeking world domination, James Bond-villain-style?

But if market competition and decentralized control are truly as good and necessary as liberals claim, perhaps Warren ought to look at the expansive regulatory regime she and her fellow progressives have been advocating for over a century — especially the one championed by “that damned cowboy” President Theodore Roosevelt.

Firstly, the push for greater economic liberty is not about cutting regulations for giant corporations specifically — it’s about cutting regulations in general. A simple rule of thumb to remember is that regulations bring with them compliance costs, which raise the barriers of entry and hurt small businesses and competitors far more than large ones.

When more regulations get dumped onto the market, sure they cut into the profit margins of the big shops in the short term, but they end up benefitting long term, because their smaller competitors have a harder time absorbing the costs of government compliance while trying to keep the lights on.

In fact, big business benefitting from complex and cronyistic government regulations has a long history, as Tim Carney explains in a 2006 Cato Institute blog post. Though Teddy Roosevelt and his “trust-busting” efforts in the steel, railroad, and meat-packing industries are often lauded as efforts to curb the excesses of gilded-age capitalism, Carney explains that Roosevelt was more a friend to the robber barons than foe, and “expanded Washington's power often with the aim and the effect of helping the fattest of the fat cats.”

Over and over again, big government meant big benefits for big businesses, while the little guy got edged out — with the pattern continuing through to today.

Often such regulations are passed after direct pressure from industry under the guise of the "common good."

Why else would cigarette giant Philip Morris historically throw so much of its weight behind tobacco regulations? Certainly not to keep people from smoking. Why else would Wal-Mart push so hard for a higher minimum wage? When you have that many retail employees, a few dollars a head really adds up. "Cui bono," asks Captain Ellerby in Martin Scorsese's "The Departed." *"Who benefits?"*

But, like a good lieutenant for the "progressive" cause, Warren sees a problem enabled by government interference and figures that the only way to correct it is to throw more government at the issue.

While Sen. Warren's desire to help average folks and keep market competition is probably coming from the right place, her solutions — as always — are going to do far more good for the cronies inhabiting the D.C. swamp than they will for anyone she's trying to help.