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Warren's anti-corruption plan has problems, but at least she has a plan

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Given the week's news, it is hard to remember that on Tuesday Sen. Elizabeth Warren (D-Mass.) gave a major, serious speech on corruption. Her timing turned out to be exquisite, as Paul Manafort was convicted on eight counts and Michael Cohen pleaded guilty to eight of his own counts.

Warren described six types of reforms: banning government officials from becoming lobbyists when they leave office; toughening conflict-of-interest rules; regulating and restricting corporate lobbyists; ending "corporate capture of rulemaking"; setting up new ethics rules for judges (especially Supreme Court justices); and erecting a new anti-corruption enforcement agency.

This isn't legislation, but some of the details she describes are unwise or raise real constitutional problems. Do we really need a whole new agency in addition to the FBI, DOJ, FEC, SEC, etc., which all deal with aspects of corruption? In addition, banning officials from lobbying *for life* is going to deprive government of some really qualified people, including those whom Democrats like to put in government (e.g., environmental activists, labor organizers). It's not even clear whether a total prohibition on lobbying would pass constitutional muster.

Likewise, Warren's ire at corporate lobbyists creates some inequities. She wants "a windfall tax on excessive lobbying, to ensure that when companies spend millions trying to stop the government from protecting the public, the cops on the beat get more resources to fight back" — but do the same rules apply to lobbyists for unions, the environment, etc.?

Nevertheless, the lion's share of her suggestions makes total sense and would please intellectually honest, pro-market conservatives. Really, isn't it about time to police the executive and legislative branches that have run amok? She says:

Presidents should not be able to own companies on the side. And we shouldn't have to beg candidates to let the American people to see their financial interests. That should be the law — not just for presidential candidates, but for every candidate for every federal office.

While we're at it, enough of the spectacle of HHS Secretaries and herds of congressmen caught up in insider trading schemes. It's time to ban elected officials and senior agency officials from owning or trading any company stocks while in office. They can put their savings in conflict-free investments like mutual funds or they can pick a different line of work.

Anyone object to that?

Warren's attack on corporate capture (sometimes called the captured economy) should be music to the ears of Cato Institute fellows and conservative reformers who have been hammering at the pernicious regulations (zoning, professional licensing, too big to fail financial regulations, etc.). She wants to "stop the practice of companies paying for sham 'studies' designed to derail the rulemaking process. Instead, let's force anyone who submits a study to a regulatory agency to disclose who's paying for it and who's editing it. If studies with financial and editorial conflicts don't meet minimal methodological standards, throw them out before they disrupt the process." That's fine, but we should also be examining the impact of regulations on market concentration, inequality, affordable housing, etc. The problem with corporate capture is that it defends the status quo against the little guy (someone wanting to find an affordable apartment in a big city, a single mom trying to work as a hair stylist, etc.). If we are going to regulate aspects of the economy, we shouldn't make the rich richer and the powerful more powerful.

What is striking about Warren's plan is that for now she is a lonely voice on an issue that, especially in the wake of Trump, is going to be a huge issue, I suspect. Fighting corruption can cut across right-left divisions, restore trust in government and address the growing gap between rich and poor. Democrats and anti-Trump Republicans would be foolish not to come up with their own plans — and if running in 2020, make the war on corruption the cornerstone of their agenda.