



## Back in the USSR

Biden pick Saule Omarova, a “Lenin scholar” and Moscow State University alum, seeks to collectivize American banking.

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“Say what you will about old USSR [sic], there was no gender pay gap there. Market doesn’t always ‘know best.’” In the old USSR, the government set salaries, “in a gender-blind manner and all women got very generous maternity benefits. Both things are still a pipe dream in our society!” As Sir Bedevere (Terry Jones) might have wondered, who is this who is so wise in the ways of economics and gender?

The speaker is Saule Omarova, a native of the Kazakh Soviet Socialist Republic and a graduate of Moscow State University, which she attended on a “Lenin Personal Academic Scholarship.” Omarova came to the United States on an exchange program with the University of Wisconsin. After the Soviet Union collapsed in 1991, she stayed on to pursue a Ph.D. in political science, followed by a law degree from Northwestern.

During the administration of George W. Bush, Omarova served in the Treasury Department as a special advisor on regulatory policy to the undersecretary for domestic finance. Joe Biden has nominated Omarova for comptroller of the currency in the U.S. Treasury Department. The nominee may recall Rosa Klebb (Lotte Lenya) in “From Russia with Love,” but her current scheme is more malevolent than anything SPECTRE ever cooked up.

In her paper, “The People’s Ledger: How to Democratize Money and Finance the Economy,” released in 2020, Omarova set forth the vision of “how democratizing access to central bank money would—and should—transform and democratize the entire financial system.” The paper offers a “blueprint for a comprehensive restructuring of the central bank balance sheet as the basis for redesigning the core architecture of modern finance.”

The proposed reforms, Omarova claims, “would make the financial system less complex, more stable, and more efficient in serving the long-term needs of the American people.” Making independent banks “non-depository lenders” would change banking “as we know it,” to put it mildly. The Lenin scholar would transfer Americans’ finances from independent banks to the Federal Reserve. That would change America as we know it to something resembling the USSR, where a Marxist-Leninist dictatorship controlled everything.

Embattled Americans have a right to wonder if the nominee has been properly vetted. In a May 9, 2020 interview with Chris Hayes of NBC, Omarova provided some background. When the USSR fell apart in 1991, “I was a student without anywhere to go back.” As Omarova told Hayes, “I feel guilty for having left the country at such a momentous time, because obviously they couldn’t hold it together without me.”

“Your departure and it all falls apart, that’s amazing timing,” said Hayes, who failed to ask why the USSR might have fallen apart. The NBC star might have sounded her out on *The Road to Serfdom*, which F.A. Hayek wrote way back in 1944 during the Stalin Era.

Economic knowledge is fragmented and dispersed, so no group of people is able to plan an economy that will thrive for the benefit of all. That’s why Omarova’s beloved “old USSR” was an economic basket case. In the old USSR, consumers waited in line to select, pay for, and pick up the goods. That is how an economy planned by Communist Party bosses functions in practice, but there’s more to it.

In a Communist state like the old USSR, rulers must be willing to take drastic measures so, as Hayek put it, the worst always get to the top. In the old USSR, those less than worshipful of the collectivization plan must be “liquidated as a class,” as with the kulaks of Ukraine in the 1930s, when Stalin deployed a planned famine that claimed millions of innocent lives.

Hayes also failed to ask Omarova about the labor camps exposed by Aleksandr Solzhenitsyn in *The Gulag Archipelago*, and Anne Applebaum *Gulag: A History*. Hayes may know little, if anything, about Soviet reality, but senators can take up the issues in confirmation hearings.

As Norbert Michel of the Cato Institute suggests, “the Senate should ask Omarova for examples of a society that has followed her approach and made more people better off than ones based on free enterprise. It is true that the free enterprise systems are not perfect, but the fact remains that there are countless examples of Omarova’s preferred approach making millions of people miserable.”

One example is the Soviet Socialist Republic part of the “old USSR,” of which Saule Omarova is still a fan. To adapt Milan Kundera, the struggle against dictatorship is the struggle of memory against forgetting.