

REVIEW & OUTLOOK

A Banking Regulator Who Hates Banks

If you want to revolutionize the U.S. banking system, should be you be in charge of regulating it? Apparently Democrats think so, as they rally to defend President Biden's nominee for Comptroller of the Currency, Saule Omarova.

Ohio Sen. Sherrod Brown accuses Pennsylvania's Pat Toomey of "red scare McCarthyism" for drawing attention to Ms. Omarova's academic papers and statements. Ms. Omarova advocates central political control of capital, credit and wages, and she has praised the Soviet-era economic system. Are her own words off-limits to scrutiny?

Ms. Omarova wants to put an "end to banking" as we know it—again, her words—and transfer private banking functions to the Federal Reserve, where accounts would "fully replace" private bank deposits. The Fed would control "systemically important prices" for fuel, food, raw materials, metals, natural resources, home prices and wages.

She says the Fed should be remade into what she calls "The People's Ledger." By "the people" she means progressive elites like her. She calls for "reimagining" the role of central banks "as the ultimate public platform for generating, modulating, and allocating financial resources in a modern economy."

A Washington Post columnist hails her as a "trenchant and informed critic of the current financial system" and praises her "innovative ideas about how to reform banking" and "tough approach to banking regulation." Her ideas were innovative—circa Moscow, 1918.

Others are whitewashing her views and biography. Mr. Brown declared that Ms. Omarova, who was born and raised in Soviet Kazakhstan, should be lauded for her "courage and conviction" to flee "communist repression." Except

she didn't. By Ms. Omarova's own account, she immigrated to the U.S. by "pure chance."

"I was an undergraduate student at Moscow State University and there was at the very end of the Gorbachev era an exchange program between Moscow State and University of Wisconsin Madison," she told MSNBC's Chris Hayes.

She attended Madison for a semester in 1991 and while there "the Soviet Union fell apart. So there I was, a student without anywhere to go back."

Senate Republicans have asked for a copy of her thesis "Karl Marx's Economic Analysis and the Theory of Revolution in The Capital." She hasn't complied, and neither has she repudiated her Soviet-era views.

Progressives are demonizing her critics as "xenophobes," and Ms. Omarova is playing the identity-politics victim card. She claims she's being criticized because she's "an immigrant, a woman, a minority." Yet Republicans confirmed Federal Deposit Insurance Commission Chairwoman Jelena McWilliams, a Trump nominee who immigrated from communist Yugoslavia. Mr. Brown and Sen. Elizabeth Warren voted against Ms. McWilliams.

Opposition to Ms. Omarova is based on her radical views and concern that she'd abuse her supervisory power as Comptroller to expand political control over the private economy. Most financial regulatory agencies are structured as boards or commissions, but the Comptroller can exercise power unilaterally. She would also sit on the Financial Stability Oversight Council—which has sweeping power to regulate "systemically important" risks.

The Senate should defer to Presidents on most nominees, but not on one who loathes the institutions and system she'd regulate.

The left wants everyone to ignore what Saule Omarova believes.