Mini-Enron Gives Us a Chance

By: Joel Rogers
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"Joel my boy," my grandpa used to say to me, "it's not what you know that can hurt you, but what you don't know." But I always doubted this distinction. Since infancy I'd been aware of any number of threats to my wretched little life, an awareness that made them no less lethal. That the world held further unseen terrors seemed not more alarming, but just piling it on. It does still. If cancer doesn't get you, maybe it'll be a tidal wave caused by global warming. Sight unseen or coming right at ya, baby, it's the same to me.

What I really needed from Grandpa was something I could use in adult life. Like a key to the mystery of female sexuality, or the real lowdown on campaign finance. Here's what I wish he'd told me about the second: "Son, it's not the illegal things they do that should worry you. It's the legal ones." The Enron scandal is a case in point. What was done by Ken Lay and his many paid friends, including his buddy the president of the United States - who's gotten $2 million in donations from Lay over the years - was an immoral, horrible, lying, disgusting abuse of private power and public trust. Note the lives ruined, the shareholders defrauded, the regulations gutted. Note even perhaps the terrorists missed after the president, acceding to Kenny Boy's wishes, suspended monitoring the offshore banks they frequented and where Lay liked to stash his cash, the better to avoid the federal taxes he and his buddy so despised.

But none of this is necessarily illegal. Mean, ugly and cruel, but not illegal.

Maybe the cover-up will get those fobs even if their dirty deeds do not, as has happened to many foils in the past. The destruction of evidence in an ongoing criminal investigation might create a few problems. Missed tax filings did for Al Capone. But surely the legal stuff will remain the bigger scandal: the federal tax code written to get exemptions for one firm; the "aggressive accounting" norms enforced by Arthur Anderson; the epidemic conflicts of interest in contemporary American finance, with auditors selling consulting services to those they audit, and banks investing in their own borrowers and then selling those investments; the managerial contempt for telling the truth to employees, much less for their job or retirement security; the bold purchase of government power, up to the highest reaches of government; the subsequent dissembling by those reaches about what had transpired.

Most of this, if history guides, will go unpunished and uncorrected. Such is the way of truly giant scandals. Mistakes of the poor are commonly called crimes. Crimes of the rich are called history. And history is a thing of the past - not to be dwelt on if not in genuflection. "Let's roll!" is the American spirit, as the president reminds us - right past any examination of ourselves.

But back here in Wisconsin, we have a chance to do better, to use some recent ugly history to make better sense of our future.

Our own mini-Enron, unfolding these past several months, is the scandal of the party caucuses. Their staffs illegally helped elect candidates, thereby vastly enlarging the power of their leaders, at taxpayer expense. Through a bizarre but ultimately happy chain of events - running from a cub reporter "unveiling" an illegal practice known to everyone for years, to a citizenry less enraged by the crime than the size of the legal fees charged in its defense - this malodorous mess seems finally to be combustible a bright possibility: the first real shot at progressive campaign finance reform in a generation.

Senate Bill 104 - aka "the Ellis bill," named after its initial sponsor, Mike Ellis, R-Neenah, and may God bless him forever for this - is not perfect. But it is offered at a moment when leadership is vulnerable enough they might let it come to a vote, and it does have the simple and signal effect of beginning to level the playing field between organized people and organized money. It would put enough clean money into elections that poor candidates with popular support would have a fighting chance; the state would pay nearly half freight on campaign costs for someone who plays by the new rules, which is at least a good start toward fairness. SB 104 would also remove current incentives to the very rich to spend wildly, bludgeoning their opponents to death with effectively unlimited private spending. Above its stated expenditure caps for different races, the bill would match such spending to any opponent playing by its rules.

SB 104's opponents charge that it costs too much and changes nothing, and offer doubts about the constitutionality of its matching provision as a reason to vote against it. But these arguments are, to be kind, weak. Massachusetts, Maine, Arizona and Vermont have passed analogous legislation, with good and clear results for increased campaign fairness and competition, no successful challenge to their matching provisions and modest fiscal burdens. In Arizona, for example, where seven out of eight gubernatorial candidates this year are playing by the new rules, clean elections cost all $1 per voter, or 0.05 percent of the state budget, in the last election cycle. What if increased use drives costs to twice that, five times that, even 10 times? Would it still be worth it? For me, and I'd suspect for most voters, the answer is obvious. If it's not already, consider the money we lose each year by letting our elections be for sale.

* It's past time that Wisconsin reclaimed the dignity of its past. The vote on SB 104 presents a clear choice between preserving a corrupt status quo and taking a step toward renewed integrity in government. I can't imagine a better outcome of the caucuses scandal, or a better beginning to this election year, than our taking that step.

EDITOR-NOTE:
Joel Rogers is director of COWS, the Center on Wisconsin Strategy, at the UW-Madison. COWS is sponsoring "Sustaining Wisconsin," a statewide dialogue about the future of Wisconsin.

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