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Secret political donations can end the secret deals

By Bruce Ackerman and Ian Ayres
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Tony Blair of the UK is following Brazil's Luiz Inácio Lula da Silva and Germany's Helmut Kohl in the long line of world leaders to become embroiled in campaign finance issues. There will be many more scandals in the future unless reformers do some fresh thinking.

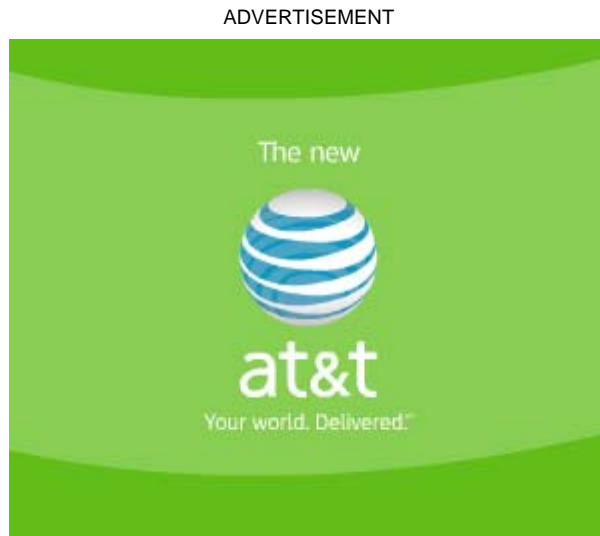
Whenever a secret deal comes to light, the necessary reform seems self-evident – force politicians to report all gifts to the public as rapidly as the internet will allow. But this rests on the premise that politicians should continue to know who is giving them money.

We reject this conventional wisdom. We think that each political party should open a “blind trust” with the election authorities into which all private donors must deposit their money. Politicians will no longer be able to determine who has given how much. As a consequence, it will be impossible for them to know who to reward with a peerage or, even worse, to gratify big donors with special - interest legislation.

We call our system the “secret-donation booth”, an analogy with the secret ballot that originated in Australia during the 19th century. Until then, voters cast their ballots in full view of the contesting parties, who carefully monitored each decision. Corrupt vote-buying was commonplace. No voter received his election-day turkey without casting his ballot before the watchful eyes of the turkey’s provider.

It was the secret ballot, not a burst of civic virtue, that transformed the situation. Even if a voter sincerely intended to perform his side of a corrupt bargain, vote-buyers could no longer know what actually happened behind the curtain. Unsurprisingly, vote-buying declined dramatically once party hacks could no longer figure out whether they got what they were paying for.

We use the same logic in dealing with private contributions. In our system, political parties get access to all money deposited in their blind trust accounts. But there are many ways to assure that they will not be able to identify who provided the funds. This will not stop lots of people from telling party leaders that they have given vast sums. But none of them will be able to prove it. As a consequence, lots of people who did not give gifts will also claim to have provided large amounts, and it will be impossible for politicians to know who is telling the truth.



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The result will be similar to the secret ballot. Protected by the privacy of the voting booth, you are free to go up to Mr Blair and tell him that you voted for Labour in the last election – even though you actually voted Conservative. Knowing this, neither Mr Blair nor you will take such protestations seriously. The same “cheap talk” regime will disrupt the special interest dealing we now take for granted. Just as the secret ballot makes it more difficult for parties to buy votes, a secret donation booth makes it harder for parties to sell access or influence.

The new system also protects contributors. It stops politicians from threatening businessmen with punitive legislation if they do not make “voluntary” contributions to the party coffers. And it protects contributors from the appearance of impropriety if they do make a contribution and then win a government contract.

The voting booth disrupts vote- buying because parties are uncertain how a citizen actually voted; the donation booth disrupts influence peddling because candidates are uncertain whether givers actually gave what they say they gave.

The donation booth will not deter gifts from citizens who simply wish to express their commitment to a candidate or a party platform, without any expectation of special access or influence. These public-spirited gifts may well be substantial in individual cases but the overall level of contributions will decline dramatically, and without the heavy-handed enforcement of legal limits. So long as donations are purged of self-interest, the remaining contributions should be a mark of civic pride, not a source of scandal. They will demonstrate that citizens care enough about their country to spend some of their hard-earned money for their political ideals.

Chile has enacted a variation of the secret-donation booth into law and has now operated two important elections under the new regime. Perhaps it will play the role of Australia in the 19th century and inspire the rest of us to clean up one of modern democracy's more disgraceful practices.

Bruce Ackerman and Ian Ayres, professors of law at Yale University, are authors of *Voting With Dollars: A New Paradigm for Campaign Finance*

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