

## Where money is no object

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Peter Hain's [disgrace](#) will inevitably lead to another call to tighten up the law on campaign finances. The goal seems self-evident: force politicians to report all gifts as rapidly as the internet will allow. But this rests on the notion that politicians should continue to know who is giving them money.

We reject this premise. We think that each candidate for office 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 whom to reward with special-interest legislation.

We call our system the "secret-donation booth" and want it to operate like the ["secret ballot"](#) introduced 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.

It was the secret ballot, not civic virtue, that created a revolution. Even if a voter wanted to perform his side of a corrupt bargain, vote-buyers could no longer know what actually happened behind the curtain. Unsurprisingly, corruption declined dramatically once politicians couldn't know whether they got what they were paying for.

The same logic applies to private contributions. In our system, candidates 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 the donors. 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.

The result will be similar to the secret ballot. Protected by the privacy of the voting booth, everybody is free to tell Gordon Brown that he voted for [Labour](#) in the last election - even though they actually voted for the Tories.

Knowing this, Brown won't take such protestations seriously. The same "cheap talk" system will disrupt the special-interest dealing we now take for granted. Just as the secret ballot makes it harder for parties to buy votes, a secret donation booth makes it harder for politicians 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 political parties are uncertain how a citizen actually voted; the donation booth disrupts influence peddling because candidates are uncertain whether contributors actually gave what they said 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.

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.

A decade ago, the Conservative party actually proposed a version of a blind trust scheme. It was a good idea that deserves to return from the wilderness. The Brown government should take the lead and challenge the Tories to cooperate on an initiative that they originated. Once it is adopted, Peter Hain's fall from power will symbolise a very different kind of scandal.

Britain has sacrificed a leading public servant at the altar of a misguided demand for transparency. It would have been far better if Hain had simply drawn his money from a blind trust and had never been required to make his report in the first place.