

## Campaign financing

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A bill has been introduced on the island—Senate P. del S. 6—that would do away with public financing of electoral campaigns as we know it. If approved, this bill will entail a major reversal of electoral policy in our Commonwealth, which was a pioneer in public financing of electoral campaigns in the world. Our first law for that purpose was approved in 1957. Since then, numerous countries have followed suit; one of them the U.S.

Campaign financing through public funds is sound public policy because it tends to equalize the power of the different blocks of voters in the electorate. Money talks, said the U.S. Supreme Court in the seminal case of *Buckley v. Valeo*, 424 U.S. 1 (1976). This, in electoral terms, means those voters with more money have greater power through their contributions to influence the outcome of elections. Public financing is the counterweight to this proposition sustained by the U.S. Supreme Court.

Another reason for public financing of electoral campaigns is that it tends to shield against corruption. The high cost of electoral campaigns requires candidates to raise large amounts of money. In Puerto Rico, it is estimated that a candidate for the governorship must expend around \$11 million in his or her campaign. Private donors aren't always idealistic or unselfish. The need for large sums of money to finance their campaigns exposes the candidates to the possibility of corruption.

For half a century, the policy for public financing of electoral campaigns was unquestioned in Puerto Rico. It was a given every time the Electoral Law was reformed. Originally, public funds weren't granted outright to the parties as occurs today in many European countries. The parties received public funds after the election, according to the votes cast in their favor, but they could finance themselves by loans from the banks that would be repaid by the allotment of public funds after the election. This mechanism guarded against the formation of artificial parties. In Puerto Rico, it is very easy to register a political party and, if parties without substantial electoral support receive public funding, then we artificially create a major player mediawise in the election.

Our Supreme Court, unmindfully, did away with the mechanism that guarded against the formation of artificial parties by applying the principle of equal protection to the parties as such, regardless of the voters who supported them. As a result, parties had to be equally funded as a right to a basic amount. By requiring matching funds for an additional part of the public funding, a differential was established between parties with substantial support and parties without it. This differential didn't do away with a meaningful participation mediawise of artificial parties in the campaign. Witness: the Partido Puertorriqueños por Puerto Rico (Puerto Ricans for Puerto Rico party) and the Puerto Rican Independence Party in the past election.

The statement of motives of the current Senate bill to eliminate public financing of electoral campaigns states that recent experiences don't bear out that public financing avoids influence purchasing by donors. It also states that millions in private funds are being used to finance campaigns and public funding has promoted more costly campaigns and has deprived our Treasury of resources that can be invested in more meaningful social needs. These are the reasons given for eliminating a time-honored practice in Puerto Rico.

If we take a cynical approach to analyze this bill, we could look at the landslide by which the New Progressive Party (NPP) government was elected and the electoral debacle of the Popular Democratic Party (PDP). We could say the NPP really wants to take advantage of its strength and capabilities to raise private funds and the PDP's weakness to win re-election by depriving the PDP of its share of public funds. However, I prefer to meet the arguments presented in the bill on their merits.

None of the reasons put forth in the statement of motives of the bill requires the elimination of public funding. They are legitimate concerns that should be met by amendments to the existing law establishing significant criminal penalties for violations of limits on donations, strengthening the electoral auditors' position with resources and powers, and reducing the total limits of spending while still making it attractive for the parties to use public funding rather than private.

To pursue substantial economies in the amounts devoted to financing elections through public funds and to eliminate a dysfunction of our electoral campaigns, the Electoral Law should be amended to preclude the funding of campaigns by parties with no substantial electoral support.

This could be done without changing the rules regarding registration of new parties. They would register in the same way they do today, but to receive public funds for their campaigns, they must make a showing of interest on the part of the electorate. This showing of interest would be required of all political parties. It would consist of raising, through contributions of no more than \$250, at least \$500,000 from the general electorate. This would qualify the party to receive public funding for the campaign.

Neither the Puerto Ricans for Puerto Rico party nor the Puerto Rican Independence Party reported having raised any amount of funds—\$0—last year. At the same time, each spent \$3 million of public funds on their campaigns. This creates a “mediatic” dysfunction prejudicial to the better understanding of the elements that determine an informed decision on the part of the voters. It also represents the significant amount of \$6 million that could be saved by amending the Electoral Law as mentioned above.

Public-funding provisions in the Electoral Law must be amended, not repealed.