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Harvard Law's Lessig Says Smash Washington's Culture of Money

By Margaret Carlson

Nov. 22 (Bloomberg) -- Most attention-getting political corruption stories are small bore, like a Louisiana congressman stuffing \$90,000 in bribes in his freezer or super-lobbyist Jack Abramoff wringing favors from members of Congress with a skybox and 18 holes at St. Andrews.

What's striking is how little it costs for a private interest to subvert the public will.

The really big money is in campaign finance. Politicians are constantly dialing for dollars with the tacit understanding that the generous will be rewarded. One of the many charms of "Republic, Lost: How Money Corrupts Congress -- and a Plan to Stop It," a new book from Harvard Law professor Lawrence Lessig, is its sympathy for the people involved.

"What if Washington is not filled with evil souls trying to steal from the republic?" Lessig writes, wondering if politicians are merely "good people working in a corrupted system."

How intriguing to think that former Illinois Governor Rod Blagojevich isn't a bad person. Who knows what deal I might make with the devil if every four years I needed to raise millions to keep my job?

With lawyerly precision, Lessig parses the problem. Did you know that most members of Congress spend two to three years raising money before they run for office -- and about three days every week after? And if you think it's one party's problem, think again.

Covering Their Bets

Donors cross-pollinate to cover their bets. They can't be sure who's going to be in charge of how deep they can build their oil rigs or which member of Congress might be the one to move an exception to Dodd-Frank out of committee.

If you wonder why there's no action on climate issues, look at the donations of the polluting coal and oil companies; no single-payer insurance, look to the coffers of the private insurance industry; weak re-regulation of Wall Street firms that ran wild when deregulated, look at the millions given to Congress from the financial-services sector.

No wonder the big givers, not the taxpayers, got bailed out. They got in the door to plead their case. As Sen. Dick Durbin noted about Capitol Hill in 2009, the banks “frankly own the place.”

Lessig’s indictment precedes Occupy Wall Street, which has grown rapidly as more citizens conclude that they’re screwed in a game that’s rigged and there’s not a damn thing to do about it but take to the streets. What’s the chance any of them could get in to see their elected representative? My guess: zero. If you want an appointment, you’d better have paid in advance.

Constituent Wednesdays

Congressional staffers look at who gave what to whom before most folks get in the door. Those who don’t pay are the ones on the steps of the Capitol smiling for a group photo on constituent Wednesdays.

Lessig still believes in the goodness of his old friend Barack Obama, whom he actively supported in 2008, but goes after his administration as “too conventional” to attack corruption in the way his campaign promised. He finds Democrats so beholden to private interests that it’s hard to tell them apart from Republicans.

After proving how sick our political process is, Lessig proposes smashing the campaign finance system -- yes, the three deadliest words in politics. Don’t give up on him, though. He offers something that gets around the ever-present barrier to reform: the debilitating Supreme Court decision that equates protected speech with money, giving Constitutional protection to the disease that’s killing us.

Grant and Franklin

Lessig borrows from three states -- Arizona, Maine and Connecticut -- that fund candidates through small-dollar contributions only, and which have seen their elections become much more competitive. He improves on that with what he calls the Grant and Franklin Project.

He assumes that every voter produces at least \$50 in revenue to the Treasury annually (in income, gas, tobacco and airfare taxes paid) and that a bill with Ulysses S. Grant on its face should be returned to the voter in the form of a voucher to be spent on one or more candidates of his choosing. A citizen could add money from his own pocket up to a Ben Franklin \$100 bill.

Once a candidate accepted a Grant or Franklin, he or she could no longer take large contributions. It gives citizens, who would otherwise be out on the steps of the Capitol looking in, a stake in the game and just possibly a seat at the table.

At a cost of about \$6 billion per election, it wouldn’t be cheap. But given that the Cato Institute estimates the federal government spends more than \$90 billion a year on

payback to donors -- “subsidies and regulatory protections that lawmakers confer on certain businesses and industries” -- it’s a bargain at 10 times the price.