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Election Panel Nears Approval of Corporate Political Action Groups

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WASHINGTON, Oct. 14—The Federal Election Commission prepared today to give its approval to the establishment of corporate political action committees that make contributions to candidates favorable to business.

During a two-hour discussion of an advisory opinion requested by the Sun Oil Company, the commission made clear that it favored authorizing such committees, with the only questions involving the groups from which they may solicit voluntary contributions.

A proposed ruling drafted by the commission's legal staff would have limited these political committees to seeking campaign contributions from the cor-

poration's stockholders, using corporate funds to finance the effort but not as part of the political campaign treasury collected.

But Thomas B. Curtis, chairman of the commission, and two other members argued that a corporate committee should be able to solicit funds from employees of the corporation as well as shareholders, as long as no coercion was involved.

Test Case Seen

Regarding the Sun Oil request for a ruling as a test case, many corporations have been closely watching for the commission's reaction, and their agents produced an unusual standing-room-only crowd at today's meeting.

Under existing practice, a corporation sets up a commit-

tee, financing all its expenses, and the committee urges employees—often concentrating on better-paid corporate officers—to contribute to its political fund.

Corporate officials then decide, in the course of the campaign, which candidates should receive contributions from the fund. Those who contribute have no voice in this choice; they assume that the money will go to candidates who favor the corporation's political position.

There is a second kind of plan under which employees make earmarked contributions to a corporate-run fund, which simply passes them on to the designated party or candidate. Today's debate indicated that it might be illegal to finance

such a system with corporate funds.

Joining Mr. Curtis in favoring solicitation of employees by corporate political committees were Joan D. Aikens and Neil Staebler, the vice chairman. Thus, at least half of the six-member bipartisan agency supports that position.

Miss Aikens also argued in favor of using corporate funds for the operating expenses of

"conduit" political committees. Mr. Curtis opposed any plan that would permit corporate committees to solicit funds from the general public.

The commission is expected to adopt a revised version of the opinion approving the Sun Oil plan, with some modifications, later this month. Ultimately, it will draft more detailed regulations, subject to Congressional approval.