

Firms Can Solicit Vote Fund

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American corporations yesterday were given new guidelines on operating voluntary political campaign funds—a decision that is expected to spark a sharp increase in legal political fund-raising by large businesses.

Until this year, only a few corporations operated political funds similar to those of organized labor. Because of recent amendments to federal campaign laws, which eliminated some uncertainty about the legality of such funds, the number of registered corporate political funds has increased sharply.

Yesterday's decision by the Federal Election Commission in a case involving Sun Oil Co. was being watched closely by other companies for guidance on the extent to which corporate funds may be used in the fund-raising process and whether or not employees may be solicited.

The Commission approved both the use of company money for administrative expenses of fund operations that solicit stockholders and employees and the establishment of a payroll deduction plan, under which Sunoco workers may designate donations to specific candidates or campaign committees.

The vote on both proposals was 4-2, in favor of Sunoco, with commissioners Thomas E. Harris and Robert O. Tiernan voting against. The majority concluded that Congress had set no limitation on what category of persons could be solicited for voluntary contributions and found the deduction plan to be a "public service" arrangement, not on behalf of any specific candidates.

With commission approval for Sunoco's political funds, dozens of other large corporations are expected to push forward with similar operations—providing a strong legal counterbalance to

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millions of dollars from organized labor political funds. In addition, a new avenue for donations is created at a time when big firms are under federal scrutiny for illegal donations in earlier years.

Sunoco will maintain Sunpac funds in separate accounts and no corporate money may be used for actual contributions.

According to Assistant Attorney General Richard L. Thornburgh, both of Sunoco's ideas appear to represent an activity by which the corporation "encourages its employees to participate in politics in general, including making personal contributions..."

At the same time, he told the commission, Sunoco must not suggest identities of candidates for personal donations nor apply pressure to induce participation in the program.

Organized labor had opposed the use of corporate money to administer such funds or to solicit money from workers.

The National Association of Manufacturers has forecast a "quiet revolution" for U.S. politics in the wake of the election commission decision. New amendments to campaign laws, which took effect last Jan. 1, give specific permission to government contractors to set up such funds—a question that had caused many of these companies to hold back from setting up otherwise legal campaign funds.

As of yesterday, according to a U.S. Chamber of Commerce spokeswoman, more than 100 American banks, financial institutions and industrial firms had registered political funds with government authorities.

Among new funds registered this year are those of U.S. Steel Corp., Lockheed Aircraft Corp., Pan American World Airways and the Anaconda Co.