

SFChronicle

MAR 29 1976

Campaign Fund Groups Are Booming

New York

What began as a slow but steady stream of corporate "political action committees" — formed last year following a landmark ruling by the Federal Election Commission — is turning into a torrent.

American business and professional groups, already sitting on top of a \$9-million political war chest, are rushing to form new committees to raise additional millions of dollars for this year's presidential and congressional candidates.

At least 100 new corporate committees were registered with the election commission in the first ten weeks of 1976, virtually equaling the number of such committees established during all of 1975.

In one record-breaking week this month, 17 new corporate plans were filed. The sponsors included General Telephone Co. of the Southwest, Idaho Bank & Trust Co., Heublein Inc., Bendix

Corp., Koppers Co., Inc., and Anheuser-Busch, Inc.

Last November, the Federal Election Commission decided that operating expenses of new political action programs can be financed from corporation treasuries.

While the money already accumulated is considered substantial, some experts say the flow of cash is just beginning.

"It's a mind boggler," said Fred Wertheimer, vice president of Common Cause, which considers itself a citizens' lobby. "We're facing potential corporation explosion in the campaign financing world. We don't know when it's going to come, but with the committees that have been created just in the past year, it's surely coming."

Despite uncertainties that arose last Monday when the Federal Election Commission lost most of its authority —

at least temporarily — in the aftermath of a Supreme Court decision, corporations may still legally operate political action committees.

Some of their activities — such as soliciting contributions from hourly employees and establishing more than one committee per company — could ultimately be outlawed by Congress. The contributions to a single candidate allowable at present are multiplied by the number of committees a business sets up.

However, many companies have already voluntarily confined their solicitations to the executive suite and have established only a single committee, so that they will not be adversely affected even if Congress decides to impose stiffer restrictions in the weeks ahead.

Meantime, money is still being gathered and the creation of new committees, which began to accelerate last year, continues.

Typical of the surge in committee formation in 1975, according to Common Cause, was the registration of committees by 17 of the nation's oil companies, including Atlantic Richfield Co., the Cities Service Co., Standard Oil Co. (California), Standard Oil Co. (Ohio), Sun Oil Co. and Texaco, Inc. Before the 1974 elections, only one oil company, Union Oil of California, had registered a political committee.

The big money, however, was being amassed by industry associations. The National Association of Manufacturers, for example, collected \$192,000. The Association of General Contractors had \$91,000; the banking profession \$85,000; Life underwriters \$122,000; automobile and truck dealers \$142,000, and the nation's realtors \$316,000.

The nation's labor unions have also been busy collecting money from their members. As 1976 began, labor reported \$6.6 million gathered for political purposes.

New York Times