

Bob Dole Passes the Hat

And PACs are eager to fill it

BY PHILIP M. STERN

Senator Robert J. Dole of Kansas has no illusions about what political action committees expect from a candidate when they contribute. He has said it himself: "When these political action committees give money, they expect something in return other than good government."

Yet Dole is the U.S. Senate's undisputed champion when it comes to raising money from PACs. According to Federal Election Commission statistics, from 1972 to the end of 1986 he received \$3,366,305 from special-interest PACs. That was more—by a margin of \$760,000—than any other Senator.

PACs contributed more than \$1 million toward Dole's 1986 reelection campaign. He didn't need the money. Long in advance, that contest was expected to be a charade, since no important challengers came forward. In fact, Senator Dole raised so much and spent so little that he emerged with more than \$2 million left over in his campaign treasury—almost three times as much as any other Senator facing reelection that year.

Robert Dole's money-raising success is entirely expectable. There are many good reasons why people doing business with, or receiving favors from, the U.S. Government should want to be on the good side of this particular Senator.

shoo-in Senator: the American Medical Association, the Associated General Contractors of America, the National Association of Homebuilders, the American Bankers Association, E.F. Hutton, Chrysler, auto dealers selling imported cars, and six PACs from the sugar and sweetener industry, to which Senator Dole gave special help. In all, the PACs gave \$1 million toward Dole's reelection. But even that was surpassed by gifts from *individuals*, which totaled \$1.3 million.

This is the story of the multiple channels that Robert J. Dole made available to those doing business with the U.S. Government—channels that at the very least created the opportunity for those groups to attract Dole's sympathetic attention. It is also the story of the special favors that Senator Dole reportedly did for some of them.

One way to get Senator Dole's attention is by making contributions to Campaign America, a personal PAC established in 1978 partly to help the campaigns of other Republican candidates for Congress, but more to finance the springboard for Dole's own Presidential aspirations.

Campaign America had a shaky start, but after Dole became Senate Republican leader, it blossomed. Its growth illustrates a little-understood point: that contributions from individual donors—which receive scant media attention—often outstrip PAC contributions. In the case of Campaign America, in 1985 and 1986 alone, PACs contributed \$500,000 while well-heeled individuals kicked in gifts totaling \$2.5 million.

The commodity industry offers a graphic example of the importance of individual contributions. In 1983-1984, PACs from that industry gave Campaign America \$21,000. But individuals connected with the industry contributed \$49,500.

Their generosity may or may not be related to the fact that in 1984, Senator Dole, in a complete reversal of his previous position, came to the rescue of 333 wealthy Chicago commodity traders who were embroiled in a controversy with the Internal Revenue Service over their questionable use of a special tax loophole. Two years earlier, Dole had chided Senate Democrats for helping these very commodity traders, who had been politically generous to the Democrats.

Nonetheless, during a late-night House-Senate conference-committee session on the 1984 tax bill, Dole abruptly reversed himself and approved a proposal that would let the traders off the hook with the IRS. Dole's reversal was worth at least \$300 million for the traders—an average of \$866,000 apiece.

Some individual givers to Dole's PAC seemed happy to take advantage of the

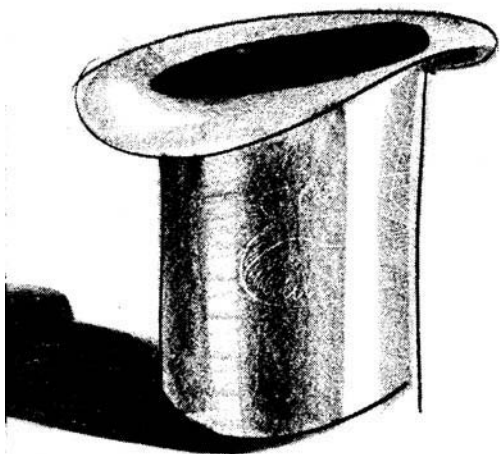
For openers, as a senior Republican member of the Agriculture Committee, he can be helpful to farmers and large agribusiness interests.

Second, as the senior Republican on the Finance Committee, he can offer crucial assistance to anyone desiring (or hoping to protect) a tax loophole worth hundreds of millions or even billions of dollars. Since 1985, Dole has been the Republicans' Senate floor leader, and therefore influential across the legislative spectrum.

Finally, of course, there was a real possibility in the last few years that Robert J. Dole just might be the next President of the United States.

And so it's not surprising that, even though Dole didn't need the money for his reelection campaign, the following interest groups across the economic spectrum gave at least \$5,000 toward the election of this

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higher ceiling on personal gifts to PACs—\$5,000, rather than the \$1,000-per-donor-per-election limit on contributions directly to candidates. Among those were Ernest and Julio Gallo, the celebrated California winemakers. Apparently their enthusiasm for Senator Dole was shared by their wives, for each of the four contributed \$5,000 to Campaign America, for a tidy and conspicuous total of \$20,000.

From many donors' viewpoint, however, a more advantageous way of attracting Robert Dole's attention has been by contributing to the Dole Foundation, a charitable foundation dedicated primarily to helping the handicapped.

Giving to a foundation like Dole's is preferable to a political gift in a number of respects. For one thing, corporations, barred since 1907 from contributing to Federal campaigns, may give freely to charitable foundations such as Dole's. AT&T, for example, made memorable gifts totaling \$100,000 to the Dole Foundation. Atlantic Richfield, IBM, and the R.J. Reynolds Tobacco Company each contributed \$25,000.

Second, gifts to a charitable foundation such as the Dole Foundation are tax deductible. Since deductible gifts reduce the taxes of the donor—for example, AT&T's \$100,000 gift saved that company \$46,000 in taxes—part of the burden is shifted to other helpless taxpayers.

Third, gifts to foundations are not limited in size, as are political contributions.

And, unlike political gifts, contributions to foundations may be made in secret, even where the foundations are connected with prominent political figures. To its credit, the Dole Foundation does not pursue such a policy of secrecy; on the contrary, it willingly released its full list of contributors. In doing so, the foundation's president, Jackie Strange, emphasized the nonpolitical nature of the foundation, saying there is "absolutely no interference with the foundation's operation." In contrast to foundations of other politicians, the Dole Foundation's outlays have been confined to grants to conventional charities unrelated to the Senator's political activities.

But the Dole Foundation is undeniably a means by which donors can attract the sympathetic attention of the Senate Republican leader. In the year ending June 30, 1986, major companies and four individuals donated slightly more than \$1 million. Various industries and interest groups, many of which are regulated by the Government or receive Federal subsidies, are prominent on the list of contributors. For example, life-insurance companies and oil firms, both of which enjoy major tax preferences, gave a total of \$136,000; pharmaceutical companies gave \$45,000; tobacco firms gave \$40,000.

In his financial-disclosure reports to the Senate, Dole lists himself as chairman of the Dole Foundation. Presumably, then,

he is aware of all these acts of generosity. Presumably, too, he has a warm place in his heart for those who have furthered his charitable enthusiasm for helping the handicapped.

Beyond contributing to Dole's Senate and Presidential campaigns and to his foundation, interest groups and companies may favor Senator Dole with speaking fees, embellished, perhaps, with a comfortable ride on a company jet—as when an R.J. Reynolds jet flew Dole to Winston-Salem, where he picked up a \$2,000 honorarium (which he gave to charity), and then carried the Senator on to Fort Lauderdale.

For Dole—the top honoraria recipient in the Senate for five of the last six years—speaking fees for 1978 through 1986 brought in \$825,266. According to the *Kansas City Star* and Senate financial-disclosure reports, he kept \$395,967 of this and gave the balance to charity, as required by Senate rules.

The Dole-for-Senate Committee. Campaign America. The Dole Foundation. Honoraria. Corporate jet trips.

Surveying that array of possibilities of gaining the attention of the Senate Republican leader (and possible future President), an interest group may ask itself, "Why choose just one?" In fact, many have found it just too hard to choose. Through 1986, Senator Dole accepted honoraria from seventy-eight groups whose PACs also contributed to the Dole political entities, the Dole Foundation, or both. And in many cases, employees of the donating group made further donations, just to make sure the Senator noticed.

The tobacco industry has been particularly generous in contributing to various parts of the Dole political conglomerate. And although only minuscule amounts of tobacco are grown in Senator Dole's home state, in the fall of 1985 Senator Dole pushed hard in the Senate Finance Committee to rescue a tobacco-subsidy program, David Corn reported in *The Nation*. That program, sponsored by Republican Senator Jesse Helms, from the tobacco state of North Carolina, had failed to get approved by the Agriculture Committee, which Helms chaired. Dole attempted the rescue operation by tying the subsidy to a cigarette-tax measure under consideration by Finance.

The Helms-Dole plan called in part for selling Government-owned tobacco to cigarette manufacturers at up to a 90 per cent discount, a move opposed by the Reagan Administration. Budget Director James Miller estimated that that aspect of the plan would cost the taxpayers more than \$1 billion.

Why would a Kansas Senator expend so much energy in behalf of a crop almost nonexistent in his state? A spokesman explained that Dole supported farm commodities whether or not produced in Kan-

sas. *The Nation's* Corn lists other possible reasons, among them Dole's appreciation for Senator Helms's support in Dole's 1984 election as Senate Republican leader, and Dole's desire to help tobacco-state Republican senators in the 1986 elections.

But there is an additional factor to be considered. Federal Election Commission records show that in 1985 and 1986, the Big Five tobacco companies contributed a total of \$13,400 to Senator Dole's reelection campaign. Three of them (Philip Morris, R.J. Reynolds, and U.S. Tobacco) contributed a total of \$40,000 to the Dole Foundation, and tobacco firms in the past four years have given the Senator \$6,000 in honoraria.

In addition, one tobacco firm, U.S. Tobacco, also furnished Dole its plush executive jet for a 1987 weekend campaign trip to Iowa. U.S. Tobacco only charged the Dole campaign \$7,272—less than 40 per cent of the \$19,000 required to charter an equivalent jet. Said a U.S. Tobacco spokesman: "When a Congressman or Senator asks for this kind of help, it gives us the opportunity to help them in a unique way. We've known Senator Dole for many years and have admired his work."

In pursuing multiple channels to Robert Dole's attention, gratitude, and friendship, none has been more resourceful than the multibillion-dollar food-processing firm of Archer-Daniels-Midland (ADM) and its charismatic principal stockholder, Dwayne Andreas.

ADM and the Andreas family have been extraordinarily generous to the Dole conglomerate. The ADM PAC provided \$15,500 to the Dole-for-Senate campaign and to Campaign America from 1978 through mid-1985. The ADM Foundation gave \$25,000 to the Dole Foundation. Over a seven-and-a-half-year period, Andreas himself donated \$5,000 and Andreas family members have contributed a total of \$16,500 to Dole political committees. Dole received \$4,000 as fees for two speeches (\$2,000 from ADM and \$2,000 from ADM's foundation), which Dole gave to charity. And Dole's Senate disclosure report for 1983 reveals three Dole trips on ADM corporate planes.

Moreover, in 1982 the Doles bought a three-room apartment in an oceanfront cooperative building in Bal Harbour, Florida—of which Dwayne Andreas is chairman, secretary, treasurer, and major stockholder. According to a *New York Times Magazine* article in November 1987, the Doles received, at the least, "preferential treatment from Mr. Andreas" in having access to the shares and, arguably, a price break on the apartment; a similar apartment in a less desirable location in the same building sold for \$190,000 three months before the Doles bought theirs for \$150,000.

Finally, since 1984, ADM has, with Mobil Oil, sponsored "Face-Off," a three-

minute daily radio debate carried on 160 Mutual Broadcasting Network stations featuring Dole and Senator Edward M. Kennedy. Michael Fumento, a Legal Services lawyer who wrote a major investigative article on ADM's political activities for the conservative *National Review*, calculates that ADM has, through "Face-Off," provided Dole—as well as Kennedy—\$195,000 worth of free radio exposure through 1986.

With so much money on Robert Dole's political debit books, it is only natural that reports surface from time to time about actions that he has taken to further the interest of one or another group that has helped him.

Dole promoted subsidies and tariffs on gasohol, and ADM is the nation's largest producer of the grain alcohol that goes into gasohol, a nine-to-one mixture of gasoline and alcohol. Gasohol came into vogue during the oil shortages of the late 1970s. It has always received enormous Federal subsidies, estimated by the Federal Highway Administration at nearly half a billion dollars in 1986 alone.

According to Michael Fumento's article in *National Review*, Senator Dole sponsored a major tax concession for gasohol in 1978, and has sponsored at least twenty-three other bills to promote gasohol.

In 1980, despite the Government subsidies, American gasohol was undersold by Brazil, and Dwayne Andreas pushed for a tariff against Brazilian gasohol. Late that year, Robert Dole introduced such a tariff as an amendment to a complicated revenue bill and, according to Fumento, "rammed [it] through the Senate Finance Committee and the full Senate without debate."

Four years later, Dole was part of a successful effort to persuade the U.S. Customs Service to tighten up on imports of Brazilian gasohol, an effort in which he was joined by several other senators, the Corn Growers Association, the Secretary of Agriculture—and Archer-Daniels-Midland.

Dole also reportedly aided passage of a high sugar subsidy—an indirect help to ADM and other producers of corn sweeteners. In 1981 and again in 1985, Congress enacted a program to support the price of domestically produced sugar far above the world market. That opened the way for sugar to be undercut by sellers of a lower-priced corn sweetener, produced by ADM at great profit. The higher the price of domestic sugar, the greater the price at which a corn sweetener could undercut sugar.

One way to keep sugar prices artificially high is to choke off imports of foreign sugar. The threat of a trade restriction worried free-trade advocates such as Republican Representatives Philip Crane of Illinois and Bill Frenzel of Minnesota, who were members of the House-Senate conference committee on the 1985 farm bill. Crane

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and Frenzel proposed—and understood they had an agreement on—a provision supported by the Reagan Administration that had the effect of easing the sugar-trade restrictions in the farm bill.

But when the sugar portions of the farm bill had been printed by the Government Printing Office and returned to Congress to be voted on by the House and Senate, the Crane-Frenzel provision was missing, according to an article by Sheila Kaplan in the May/June 1986 issue of *Common Cause Magazine*. Kaplan quotes Harris Jordan, a Crane aide, as saying the deletion of the provision had been ordered by "a very senior Senator from Kansas." Jordan recalls Congressional staff members and sugar lobbyists who were following the bill telling him that the excision of the Frenzel-Crane provision was known among them to be "ADM's deal." (A Dole spokesman denied to Kaplan that "the Senator went anywhere near the printing office," but did acknowledge that "Dole's staff read the substitute [Crane-Frenzel] provision and rejected it.")

To the extent that implications of impropriety exist, Senator Dole can only blame the campaign-finance system under which he and all other lawmakers must now function. The inferences are built into the election laws under which Senators and Congressmen routinely and legally accept large amounts of money from strangers (or even friends) who have immense amounts at stake in those lawmakers' conduct. Dole has created opportunities for the offering and receiving of such conflict-of-interest contributions as imaginatively as any member of Congress.

More and more, the current campaign-finance system runs counter to our sense of fairness and our concepts of representative democracy. If we imagine the entrances to the offices of Representatives and Senators as turnstiles, most of us would like to believe that all citizens have roughly equal access through those turnstiles. Under the present system, such access is determined altogether too much on the basis of money. That is why PACs are so unfair. With their capacity to pool money, they have the power to proffer a higher price of admission than ordinary citizens.

It is a rare voter who could dream of affording a \$250 contribution, much less a \$1,000 gift, to a politician's campaign. But for most PACs, \$250 is routine (and typically given to many candidates); a \$1,000 contribution is frequent, and a \$5,000 contribution to the strategically positioned Senator or Representative entirely feasible. Thus, the PACs and their lobbyists are often able to push their way in through the turnstile ahead of a lawmaker's own constituents.

As Robert Dole himself has noted, "You might get a different result if there were a 'Poor-PAC.'" ■