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THE SENATE  
STATE OF NEW YORK  
ALBANY

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PLEASE REPLY TO:

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Dear Friend:

I thought you might be interested in some recent stories about my efforts to limit campaign contributions. I do think we are making progress and I am hopeful that we might be able to get a bill through the Legislature which would have a limitation of at least \$2,000 per campaign contribution.

This spring I plan to hold hearings on bank services. In this connection, I am circulating a questionnaire to determine problems that banking consumers are having. I enclose a copy of the questionnaire and would very much appreciate if you could take a moment to answer it and return it to me in Albany.

Sincerely,

Franz S. Leichter

FSL/pg

# The High Price Of Morality

State Sen. Franz Leichter came to City Hall yesterday to stand on the frozen steps reserved for scorned prophets to demand that Mayor Edward Koch and Comptroller Harrison J. Goldin return \$35,000 in campaign contributions from corporations widely presumed to be instruments of Ferdinand and Imelda Marcos.

The last time Leichter complained in detail about the financial dependence of New York politicians on the private interests who profit from their goodwill, Koch called his imputations "an obscenity." Yesterday the mayor was content to dismiss Leichter's charges as the normal hyperbole of candidates for re-election.

Leichter got 80 percent of the vote when last he ran and has every reason to expect to do better next November. Koch's comment may therefore be taken as moderate almost to the point of brotherhood; a mayor who gluttonously devoured more than \$7 million on an unloseable campaign could only be expressing fraternal tolerance when he pretends to detect some lesser excess in a candidate in circumstances so much like his.

Harrison J. Goldin was chillier. He would not return the \$25,000 given him by the New York Land Co., allegedly in Marcos' interest. It had been a legal contribution, which it inarguably was, given the employment of certain exigencies to stay under the corporate limit for such benefices. As to morality, Goldin went on, let Leichter look first at his own.



Murray Kempton

The Marcoses have hardly suffered as much as they deserve; but, all the same, it would be too cruel to visit upon them the punishment of a lodging in New York and the discovery that affliction by nuns and seminarians are balms beside the torment of being set upon by our real estate agents and our statesmen in tandem.

Harrison J. Goldin spoke for all our politicians when he proclaimed that they never give the money back.

Marcos, of course, appreciates that ethic; he never gave the money back either. But he would confront a civilization that must otherwise seem to him sadly wanting in moral principles.

Taking money for favors cannot be an experience unfamiliar to him. But where he grew up, you give something in return; there is a quid for the customer's quo. But, in New York, there seems to be only the quo. Koch and Goldin never refer to the bulge in their campaign budgets without insisting that all these kindnesses come from the charity of enterprisers who know that they endow the unpurchasable.

This could only mean that Sylvan Lawrence Co., largest lessor of space to the city, spent \$217,500 across five years fertilizing the campaigns of the comptroller responsible for auditing its performance and never had the least hope that Goldin's remorseless eye could be gentled in gratitude. It is therefore mere coincidence that Sylvan Lawrence began contributing to Goldin barely a week after a critical comptroller's audit of its leases and that this particular offense has not since been repeated.

If we take the New York politician at his word, he delivers the businessman's contract or tax easement solely on the merits of the case, and then takes campaign cash as a reward for having so scrupulously obeyed his conscience. Marcos could be excused for shock at meeting statesmen with the effrontery to be paid for things that they swear they would happily give for free.

But then he could find out where he went astray. He relied on an army. Our statesmen have learned that money is more dependable. Leichter does have a personal grievance, but it is one we should all share. He essayed a campaign against Goldin and gave up when he had only \$80,000 and the comptroller had already passed a million.

The gubernatorial and Senate campaigns have looked to be over ever since the incumbents built up funds enough to cow any practical challenger. Palaces totter, generals defect, tanks turn back; but money sits solid as a rock.

NEWSDAY, FRIDAY, FEBRUARY 28, 1986

# Pols got Manila envelopes



Sen. Franz Leichter

By SUZANNE GOLUBSKI  
and OWEN MORITZ

Daily News Staff Writers

Five "fronts" believed linked to deposed Philippine President Ferdinand Marcos gave \$35,000 to the reelection campaigns of Mayor Koch and Controller Harrison Goldin, and Marcos agents are seeking city approval for a midtown office tower, a state legislator charged yesterday.

State Sen. Franz Leichter (D-Manhattan) said the contributions did not violate existing campaign laws, but he urged Koch and Goldin to refund the money to the new Philippine government or the Catholic Church in Manila.

Koch and Goldin said they would not refund the money because it was given to their campaigns legally, according to spokesmen.

No action has been taken on the proposed 45-story office building, which would require at least two separate approvals from the Board of Estimate. Koch and Goldin each have two votes on the board.

Leichter charged that brothers Joseph and Ralph Bernstein, who were cited for contempt of Congress yesterday for refusing to answer questions from a subcommittee, channeled \$25,000 to Goldin and \$10,000 to Koch through New York Land Co.—the Bernsteins' princi-

pal firm—and four New York Land affiliates.

## 'Mayor' backer

One of those affiliates—New York Music—was a major backer of the play "Mayor," based on Koch's best-selling autobiography.

"New York Land Co. money is Marcos money," Leichter said, citing findings of a congressional subcommittee. "Marcos money is the Philippine people's money."

"Obviously, these campaign contributions are made by people seeking favor from public officials and, specifically, from Board of Estimate officials," he said.

According to Leichter and city officials, New York Land and a Japanese firm identi-

fied as Kumagai Ltd. plan a building on the southwest corner of Sixth Ave. and 46th St. Current zoning would permit a 30-story building.

## Air rights

The city has offered to sell potential air rights over the nearby landmark High School of Performing Arts to New York Land, enabling it to add 15 floors to the tower.

The Board of Estimate would have to approve.

Leichter said Koch's campaign received \$5,000 from New York Land and \$5,000 from New York Music. Goldin received money from both firms as well as three others Leichter called paper fronts for New York Land.

# 'Mischief' at the Board of Estimate

NYT 11/11

By Franz S. Leichter

"How do you raise money without losing your soul?" Mario Cuomo wrote in his diary of the 1982 gubernatorial campaign. The recent New York City primary showed that campaign expenditures still exceed reason and decency. The need to raise big bucks seems to make it harder for candidates to worry about losing their soul. A few have private fortunes; others, usually incumbents, rely on funds from people who have benefited from the officials' public positions.

The problem is acute in campaigns for New York City's top offices, because fund raising has created serious conflicts of interest. In the primary, all eight Board of Estimate members raised more than \$3 million from people who required board approval for their economic activities.

In a primary that most observers believed Mayor Koch could not lose, he raised \$6 million and spent more than \$5 million, according to incomplete financial filings. Eight years ago, in tightly contested primary and general elections, Edward Koch raised and spent \$1.8 million.

*Franz S. Leichter, a Democrat, is state Senator from the 28th district (Manhattan).*

Andrew Stein, Manhattan borough president and successful candidate for City Council president, raised about \$2.6 million. (His opponent, Kenneth Lipper, former Deputy Mayor, had the personal means to spend some \$3.2 million.) Borough presidents Howard Golden of Brooklyn and Stanley Simon of the Bronx, both re-elected, raised \$1 million and \$650,000 respectively.

From whom did this money come? The major amounts came from real estate interests that required board approval of leases, zoning variances and tax benefits. For example, the Sylvan Lawrence Company, which required approval for leases with the city worth \$70 million, since the 1981 election has given board members campaign contributions totaling \$200,000. People bidding to participate in 42d Street development gave total contributions of \$150,000.

If a developer gave a member \$10,000 to pocket it would be a crime. But it is legal to give it to that member's campaign committee. The line between a bribe and contribution is almost invisibly thin.

The argument that a campaign contribution merely buys "access" is not persuasive. Why should access to an official be based on campaign contributions? Certainly, the importance to the city of large developers' projects

## Campaign fund raising raises questions of ethics

warrants their getting a hearing. The contributors don't seek access; they seek favorable action.

Critics of these gifts are challenged to show that the contributions influenced votes. The issue is not improper influence, which would be impossible to prove except in rare cases. The mischief is that they suggest the purchasing of favors.

The problem is not limited to Board of Estimate members. Legislators like myself receive campaign contributions from political-action committees representing special interests. However, the typical PAC contribution is far less than those board members get.

While campaigns have become increasingly expensive, legal restrictions on campaign expenditures and

fund raising have been struck down. And while ceilings on political donations have been upheld, the maximum permissible contribution in New York State is so high it constitutes no limitation whatever. Individuals can contribute \$50,000 to a candidate and up to \$150,000 per year to all candidates. Federal limitations are much stricter than those in New York State. In Congressional and Presidential elections, individual donations are limited to \$1,000 per candidate per campaign. Thus, in six years, a senator can receive only \$1,000 from an individual who, during the same period, can contribute \$200,000 to re-election of a borough president.

New York State should enact for its officials the same restrictions that apply in Federal elections. Until then, a conflict-of-interest provision in the city code that has become a dead letter should be invoked to bar large campaign contributions to Board of Estimate members by people who offer them projects to vote upon.

New York State should also adopt public financing of campaigns and impose effective limitations on campaign contributions in the state, and limit them not just on a yearly basis but also on a campaign basis.

In the end, the public should judge candidates by their willingness to adopt voluntary restraints. □