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Campaign ads on oil tax mislead public from both sides

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SACRAMENTO - One television commercial features former President Bill Clinton urging Californians to pass Proposition 87 and "lead the way to our own energy independence." Supporters also mailed a glossy campaign flier featuring a photograph of an Arab mob burning American flags.

In a commercial against the initiative, the California Chamber of Commerce president warns of skyrocketing gasoline prices if voters approve it Nov. 7. In another, firefighters and school teachers warn of drastic cuts to public safety and education.

The campaigns for and against Proposition 87, which would tax in-state oil production as a way to fund alternative fuel research, have led to the most expensive initiative battle in California history. But all that money hasn't left voters any better informed.

An advertising campaign that has eclipsed $100 million has been notable for its fact-twisting claims, inflammatory imagery and clever but misleading catch phrases.

"What is a voter to believe?" said Brooks Jackson, director of the Annenberg Political Fact Check, a nonpartisan, nonprofit group based in Washington, D.C, that studied the advertising related to Proposition 87. "Both sides are saying contradictory things. Both sides are being misleading and overselling."

Clinton and former Vice President Al Gore - both popular in California - have given greater credibility to the initiative supporters' publicly stated goal: to free the state from dependence on foreign oil by funding research in alternative energy.

But Jackson said that goal is exaggerated even by the group's own calculations.

Foreign oil accounts for 40 percent of the state's overall oil use, according to the California Energy Commission. The target spelled out in the initiative language is to cut overall petroleum use by 25 percent.

The opposition has been funded by major oil companies warning that pump prices will soar if Proposition 87 passes.

That claim is disputed by economists and energy experts in the state who note that oil prices are set by the world market, not local ones.

"That argument is just wrong," said Severin Borenstein, director of the University of California Energy Institute, who has not taken a position on the measure. "Any reasonable calculation suggests it would have no noticeable effect on gasoline prices. The argument is the biggest misdirection of the campaign."

The initiative would tax oil production in California between 1.5 percent and 6 percent per barrel depending on the price of oil. The tax would fund a $4 billion program to research and create incentives for alternative energy, alternative energy vehicles, energy efficient technologies, education and training.

It also includes language that forbids oil companies from passing the tax along to consumers. However, it's a mandate Borenstein said would be impossible to track and lead to endless political investigations.

In another argument, the opposition campaign asserts that local schools "will be robbed" of up to $1.9 billion: "That's not fair to our kids," states a four-page mailer sent to West Sacramento voters by Californians Against Higher Taxes, the group mobilized and funded largely by the oil companies.

One television commercial begins with the sound of sirens blaring, as a firefighter alerts viewers that the measure would reduce state revenues that go to "critical public safety needs."

A report by California's nonpartisan Legislative Analyst's Office found that the oil tax could lead to the shutting of some wells, leading to a drop in property and income taxes that help fund education and law enforcement. But the analysis also found that the amount would be slight statewide.

Both sides are trying to "hook people's perceptions and fears," said Tom Hollihan, associate dean of the Annenberg School of Communication at the University of Southern California.

"Most voters who go to the polls are easily manipulated and misled," he said.

The two sides have raised a record $121 million trying to win votes, according to records filed with the Secretary of State's office as of this week.

Hollywood producer Stephen Bing has given most of the money to support the initiative, a little more than $40 million. It is the largest donation by an individual to an initiative in state history, according to California Common Cause, which tracks campaign activity.

The opposition, meanwhile, has raised $72 million, mostly from oil companies that would pay the tax.

Other oil-producing states, including Alaska, Oklahoma and Texas, already have a production tax. Critics of Proposition 87 argue that oil companies pay higher property and corporate incomes taxes in California.

On one point, at least, the campaigns have agreed: Each side has described the measure as an oil tax. Where they differ is the impact of that tax.

"We don't have a case about someone lying about the obvious facts," said Thad Kousser, an assistant professor of political science at the University of California, San Diego. "You have different predictions about the future. That happens in politics, court cases and everyday life."

Shanto Iyengar, a professor of political science and communications at Stanford University, said the commercials related to Proposition 87 are tame compared to those in elections past, where outright lies sought to mask the purpose of the initiative.

"There's always going to be oversimplification, and there's always going to be information presented out of context," Iyengar said. "They are not trying to inform and educate people. They are trying to win."