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Corporate air fleets get Dole around

Private flights legal but raise questions

By Tom Webb
Eagle Washington bureau

WASHINGTON — Sen. Bob Dole is a frequent flyer, Senate style. At least 44 times since January 1991, Dole has flown to political functions aboard jets belonging to major U.S. companies, most of which routinely have business before Congress.

In June alone, Dole flew once aboard ConAgra Inc.'s Learjet, three times on the Archer-Daniels-Midland fleet, twice aboard U.S. Tobacco's aircraft, once on the airplane of Growth Industries of Grandview, Mo., and once on the corporate jet of Torchmark Corp. of Birmingham, Ala.



Dole Aide says flights let the senator get to more places quickly.

The practice is legal, and Dole's campaign committees have reimbursed the corporations a total of \$119,114 for Dole's political flights, according to reports filed with the Federal Election Commission.

But the true cost of those flights is far higher than what Dole paid, critics charge. The law usually requires that a campaign pay only the price of a first-class ticket — not the actual cost of chartering a private jet.

"If you're going to fly on these corporate jets, it should be done at the same price as if you're going to charter a private jet," said Meredith McGehee, senior lobbyist for Common Cause, a self-described public interest group. "Corporations end up providing special treatment and special favors for politicians, and it opens up the door for special access."

The Federal Election Commission recently decided not to change its reimbursement rules for politicians who use corporate aircraft. So Dole's campaign is in full compliance with the law. Moreover, there's a practical side to using the corporate jets, said Walt Riker, Dole's spokesman.

"When you're as active and in demand as Senator Dole and your time is really stretched, corporate jets allow him to do twice as much as if he used standard transportation," Riker said. "How do you get from Pittsburgh, Kansas, to Hays, Kansas, to Wichita to Topeka all in one day? You can't do it."

Dole to lead campaign for natural-gas subsidy

Los Angeles Times/Washington Post Service

WASHINGTON — Senate supporters of production of natural gas from "unconventional" sources such as coal mines and shale are planning to fight this week to keep a generous subsidy that most of the industry has agreed to give up.

The subsidy is scheduled to expire at the end of this year, and when the Senate reconvenes this week to resume work on the tax bill, Sens. Bob Dole of Kansas and John D. Rockefeller IV, D-W.Va., are planning a strong fight to extend it.

They say the subsidy is sound energy policy because it encourages the production of a domestic resource that replaces imported oil and creates thousands of jobs.

Their opponents, led by Sens. Bill Bradley, D-N.J., and Don Nickles, R-Okla., say the subsidy has fulfilled its original purpose — development of new production technologies — and has become a boondoggle. In a letter to other senators last month, they said extending the subsidy would cost \$1 billion over the next five years for no good reason.

The tax credit, known as Section 29 after the part of the energy law that created it in

1978, was enacted when the world was in the grip of the second "oil shock" of that decade and natural gas was thought to be in short supply. It subsidizes natural gas extracted from sources that otherwise would not be economically competitive: the methane reservoirs trapped in coal seams, some forms of shale and formations called "tight sands."



Dole

The subsidy worked. About 9.2 percent of U.S. natural gas now comes from these sources, reports the Gas Research Institute.

Natural gas prices have risen in the past month as a perceived glut has dwindled and Hurricane Andrew disrupted Gulf of Mexico production, but for most of this year they hovered at rock-bottom levels that discouraged conventional gas production.

As Congress debated a wide-ranging energy bill during the spring and summer, independent gas producers agreed to give up the Section 29 credit in favor of relief from the 1986 alternative minimum tax, which they said was killing their industry by making it unprofitable to drill conventional wells.

Most of the natural gas industry, including the producers in Kansas, argued that the subsidy was unfair to them.

He added: "The idea that we're flying around and it's a big joy ride to benefit some companies is just ludicrous. They're grueling."

Nevertheless, the practice of soliciting rides on corporate jets — used by both top Democrats and Republicans in Congress — has drawn criticism as the sort of cozy back-scratching arrangement that makes voters cynical about Washington.

"If you've got members of the corporation there, it's a chance to chat, it's another way for the corporation to interact with the senator," said Candice Nelson, a government professor at American University.

Since January 1991, Dole reports taking at least 14 flights on the corporate jets of agribusiness conglomerate Archer-Daniels-Midland. An ADM official wouldn't comment on why it lets Dole use its five-plane fleet, but it's unlikely to have escaped ADM's notice that Dole exerts tremendous influence over U.S. agriculture policy, as Senate minority leader and a member of the Senate

Agriculture Committee.

Dole's campaign has reimbursed ADM \$33,329 for those 14 flights. What the cost would have been at the charter rate is unclear from the financial disclosure forms. However, buying a first-class ticket from Washington to Kansas City runs between \$400 and \$650, each way, chartering a corporate jet (and paying the pilot) can easily cost \$1,000 and more, each hour.

So while Dole's campaign paid ADM \$33,329, the real value of the flights could have been far in excess of what corporate executives can legally donate to politicians.

As Common Cause President Fred Wertheimer said in 1991, politicians who fly on corporate jets "are in effect receiving significant financial benefits from corporations and other private interests that would otherwise constitute illegal gifts or illegal campaign contributions."

Not that ADM hasn't also been giving Dole's campaign more typical campaign contributions. In 1991 ADM's political action committee

contributed \$5,000 to Dole's Campaign American political committee, FEC records show. ADM officials gave another \$16,000 to Dole's Senate campaign between 1985 and 1990.

Less frequently, Dole has flown aboard the Learjets belonging to another agribusiness corporation, Omaha-based ConAgra. Paul Korody, ConAgra's vice president for government affairs, said the corporate Learjets are rarely used by politicians, and when they are, it has usually been as a time-saver to transport lawmakers from Washington to where they can speak in Omaha.

Riker, Dole's spokesman, said Kansas taxpayers are the beneficiaries of Dole's policy to use money from his campaign accounts to pay for all of his travel, including trips home that could be charged to the government.

"When Senator Dole goes to Kansas, the taxpayers don't pay a penny, whether it's commercial aircraft or charter jet or corporate jet," Riker said.

O'Dell spars with Dole over jobs plan

Associated Press

TOPEKA — Democratic challenger Gloria O'Dell outlined her proposals Tuesday for creating jobs, but Republican Sen. Bob Dole's campaign said her ideas could harm Kansas military bases.

The centerpiece of O'Dell's jobs package is a proposal to use money pared from the federal defense budget for a program designed to encourage corporate research efforts. She also said she supports restoring tax breaks for some people who put money into individual retirement accounts.

Kathy Peterson, Dole's campaign spokeswoman, said the proposal to use defense savings could cause the federal government to close or decrease the size of military bases in Kansas. She also said the IRA proposal would amount to a tax break for the wealthy.

Peterson also accused O'Dell of borrowing her ideas from Democratic congressional leaders and Arkansas Gov. Bill Clinton, the party's presidential nominee.

"If there is a similarity between Governor Clinton's proposals and Gloria's proposals, they will be able to work well together when they go to Washington," responded Erwin Seba, O'Dell's spokesman. "As opposed to Senator Dole, who would just contribute to further gridlock."

O'Dell's jobs package would rely on the "peace dividend," or defense cuts that many members of Congress think will occur because of the end of the Cold War. Seba said O'Dell thinks the nation can save \$50 billion by converting defense industries to the production of other goods.

Seba was not more specific, but he said O'Dell's campaign will release information about its defense conversion proposal later this week.

O'Dell proposes to use the \$50 billion saved to finance tax credits for corporations that invest money in research and development and in buying new equipment. Such a program would create jobs.

Peterson restated Dole's position that the best way to improve the economy is to reduce the federal budget deficit. She said O'Dell's plan appeared to do little to address the deficit problem.

Peterson also said that O'Dell's plan could force cuts in Kansas' three large military bases, the Army's Fort Riley and Fort Leavenworth posts and McConnell Air Force Base in Wichita.

"Those are real jobs," Peterson said.

Seba responded by saying that O'Dell favors the closing of U.S. bases overseas, not domestic bases. "It's just a scare tactic," he said of Peterson's statements.

O'Dell raised the IRA issue because Dole supported 1986 legislation that overhauled the federal tax code. Under those changes, people who participate in their employers' pension plans can no longer deduct contributions to IRAs from their incomes for tax purposes.

Dole said the 1986 change prevented a "double dip" by many Americans, but O'Dell argued that the change hurt people with small pensions. She said restoring the tax break would encourage Americans to save money.

O'Dell's campaign estimated the cost of the IRA provision at \$5 billion. Peterson said the cost would be \$7.7 billion over five years.

Dole pouring cash into other Congress races

By Barry Massey
Associated Press

WASHINGTON — Senate Republican Leader Bob Dole is busy on two campaign fronts this year.

He's not only running for re-election in Kansas but also campaigning in other states on behalf of Republican congressional candidates. But Dole is giving far more than his time. He's handing out money as well.

The Kansas political action committee, Campaign America, has contributed about \$242,000 to 55 Republican House and Senate candidates from 1991 through the end of July, according to records filed with the Federal Election Commission.

Dole's PAC has given the maximum amount, \$10,000, to 11 Senate candidates.

Campaign America, Dole said, is supporting GOP candidates in races "where I think we've got a chance."

"We're going to use it to help Republican candidates, primarily U.S. Senate candidates, some House races where we've been asked specifically and some of the races in the state of Kansas for the state Senate and the state House of Representatives," he said.

In addition to the contributions to congressional candidates, Campaign America has given about \$85,000 to state GOP organizations and state office candidates across the country. Of that, nearly \$60,000 went to state legislative candidates and GOP groups in Kansas, FEC records show.

Since the Republican National Convention in mid-August, Dole has campaigned in Kansas and traveled to 11 other states to campaign for Senate candidates: Oklahoma, Arkansas, Ohio, Minnesota, North Dakota, South Dakota, Indiana, Iowa, Illinois, North Carolina and South Carolina. Dole says he hopes to make campaign appearances for more congressional candidates before Election Day, especially in New England and the West.

In South Dakota, Dole appeared at two fund-raisers and a farm rally in late August for Charlene Haar, a Republican running against Democratic Sen. Thomas Daschle.



Dole Money going to federal and state candidates.

"He was an enormous asset to us," Lon Anderson, campaign manager for Haar, said of Dole. "He was a boost to us in our media coverage. He was a boost to us in our fund raising. It just raised the stature of the campaign to have the minority leader of the United States Senate for you."

Campaign America has given \$5,000 to Haar's campaign so far. Dole's PAC, formed in 1979, is separate from his re-election campaign committee and is the senator's vehicle for party-building activities.

Dole has long been one of the most successful fund-raisers in Congress, and his leadership position in the Senate helps him collect money for other Republican candidates. The PAC, in addition to making campaign contributions, can pay for Dole's own political travels across the country. That helps him in building a network of supporters and contacts.

Since 1991, Campaign America has raised about \$92,000 and spent almost \$1.2 million. Dole's PAC had cash reserves of \$941,000 at the start of 1991 and reported a balance of \$878,931 at the end of July, the latest figures available.

Among so-called leadership PACs — those affiliated with members of Congress — Campaign America traditionally has been a top fund-raiser and contributor.

During the last campaign cycle, 1989-90, Campaign America contributed more money to federal office candidates than any other so-called leadership PAC operated by a member of Congress — about \$300,000. The Effective Government Committee, the PAC of House Majority Leader Richard Gephardt, D-Mo., was next with contributions of \$252,000.

This election year, Campaign America's work could prove to be particularly important to Dole's own political future. Twenty Democrats' seats are up for grabs, and Republicans are defending 15 seats, including Dole's.

As the Republican leader in the Senate, Dole wants to ensure as many GOP victories in Senate races as possible. Providing financial support to a senator's campaign also helps Dole in accumulating a power base with returning senators and any new members.

Critics of leadership PACs say they provide an additional avenue for special interests to try to influence lawmakers.

Individuals can give up to \$5,000 a year to a PAC such as Campaign America, which is more than the \$2,000 limit on individual contributions to a congressional campaign committee for a primary and general election.

For example, seven family members of Ernest and Julio Gallo, the California winemakers, gave \$5,000 each to Dole's PAC in January 1991 — a total of \$35,000.

Other PACs, such as those affiliated with a corporation or labor union, also can give up to \$5,000 a year to a political action committee. Since 1991, most of Campaign America's money has come from individuals. PACs have given \$63,500 — about 8 percent.

Ellen Miller, executive director of the Center for Responsive Politics, said "an even more serious problem" is the money politics that leadership PACs play within Congress.

Members of the House and Senate operate PACs and give contributions to their colleagues "to buy access and influence within the Congress itself. They're looking for continued support," Miller said.

"It's a political IOU system run internal to the institution," she said. "It warps decisions within the institution of Congress."

O'Dell wonders if Dole is acting sexist

By LILLIAN ZIER
Journal Staff Writer

If Bob Dole doesn't want to debate her just because she's a woman, then Gloria O'Dell wants the Kansas senator to say so.

"If it's because I'm a woman, he ought to have the guts to say it's because I'm a woman," the Democratic challenger said Wednesday during a campaign stop in Salina.

Dole spokesmen have said the senator doesn't want to debate O'Dell because she's vague on issues.

But O'Dell said Wednesday that his refusal exposes his reluctance to talk about his record. She also said constituents are asking for a public discussion of issues, and they recognize that campaigns are one of the best opportunities for such discussions.

By not debating, Dole also is demonstrating that he's more responsive to special interest groups, the Bush administration and corporate interests than he is to the people of Kansas, she

said. "I want to know why he won't (debate)," she said. "Why does he think he's above this?"

Responding to the statements that she's vague on her positions, O'Dell said, "That's part of their strategy. Bob Dole hasn't been in Kansas to see I've been talking about issues. The question is, why isn't he talking about issues?"

Dole should be addressing why the government's deficit rose from less than \$100 billion when Ronald Reagan became president in 1981 to nearly \$400 billion now, she said. During that time, Republicans controlled the Senate for six years, and for two of those years, Dole was majority leader.

Earlier this week, O'Dell outlined her proposals for creating jobs, which included using money pared from the defense budget to encourage corporate research.

"We need to be decisive and come up with a concrete way to retool for a peacetime economy, rather than being driven by a military economy," she said Wednesday.

Dole's office said her plan would hurt Kansas military bases, but O'Dell said Wednesday that

the state's bases have much support, and Dole's staff is using scare tactics.

She also criticized President Bush for promising to rebuild Florida's Homestead Air Force Base, destroyed by Hurricane Andrew. The reconstruction will use up any savings from other bases targeted for closure, she said. She said she wants to know what Dole has to say about Bush's "emotional response" to the hurricane.

In response to the federal deficit, O'Dell said she would look at areas that cost much, but hurt the economy, for example, some of the tax revisions of the 1980s. The new tax codes gave loopholes to special interest groups and wealthy individuals and corporations, she said.

The tax codes also provide incentives for industry to locate in other countries, she said. O'Dell supports a capital gains tax cut, a favorite project of Bush. But she said it must not be a "massive application of trickle-down" economics. The trickle-down theory holds that corporations will reinvest their tax savings, thus creating more jobs and income for workers.

Rather, she said a capital gains cut must be

targeted only at companies that create new jobs and provide education and training for conversion from a military-based economy to industrial economy.

The other proposal O'Dell announced this week was restoring tax breaks for some people who put money into individual retirement accounts.

Dole's office said the proposal would amount to a tax break for the wealthy, but O'Dell said the plan would affect 13.5 million middle class working people.

A similar plan has passed the Senate Finance Committee, she said.

She also deflected comments that her ideas were borrowed from Democratic presidential candidate Bill Clinton.

"I think Bob Dole's pattern has been to rubber stamp the Bush administration. He's used to hiding behind doors, so when he opens a door, he looks for someone behind it.

O'Dell urges Dole to oppose NAFTA

The Associated Press

WICHITA — U.S. Senate candidate Gloria O'Dell challenged Sen. Bob Dole, R-Kan., to refute economists' projections of hundreds of thousands of American jobs moving to Mexico if the North American Free Trade Agreement is ratified.

"President Bush claims this agreement will increase the number of jobs in the United States," O'Dell said Thursday during a news conference outside a state unemployment office in Wichita.

"How will NAFTA reverse a 25-year trend of exporting American jobs? In that time, 500,000 quality jobs and 2,000 plants have gone to Mexico..." she said.

Ms. O'Dell, a Democrat, said the



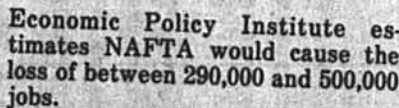
O'Dell

headquarters in Topeka on Thursday.

O'Dell said NAFTA also would have ominous consequences for Kansas farmers.

NAFTA would increase imports of lower-priced Mexican agricultural products and could increase the 70 percent share of Mexico's imported wheat market already owned by Canada, she said.

"I challenge Sen. Dole to act in the best interests of Kansas farmers and workers and oppose President Bush's demand that the Senate ratify the agreement with unnecessary haste," O'Dell said. "The Senate should scrutinize NAFTA and modify it so that people are put first in foreign policy."



Dole

Economic Policy Institute estimates NAFTA would cause the loss of between 290,000 and 500,000 jobs.

Dole's campaign press spokesman, Kathy Peterson, didn't return several phone calls made to Dole