

# First quarter oil profits soar

**United Press International**  
Amid continuing accusations that they make too much money and President Carter's proposed tax on windfall deregulation gains is too weak, American oil companies reported soaring first-quarter profits for the third straight day Wednesday.

Standard Oil of Ohio topped the day's profit check-in by reporting its profits soared by a whopping 303 percent.

SOHIO earned \$167.5 million, or \$1.39 a share, up 303 percent from the \$41.5 million, or 43 cents a share last year. Sales were \$1.65 billion versus \$1.03 billion a year ago.

In explaining the jump, SOHIO Chairman Alton Whitehouse said a comparison between the 1979 and 1978 first quarters was not valid because the company's Alaskan North Slope oil production was cut by repairs on a damaged pump station. SOHIO gets 85 percent of its oil from Alaska.

And, SOHIO Vice President Paul Phillips stressed the company has not yet taken a multimillion dollar tax write-off for investing in the troubled Pac-Tex pipeline project from Long Beach, Calif., to Midland, Texas.

Standard Oil of California, an industry giant, reported a 43 percent gain to \$347 million or \$2.03 a share from \$243 million or \$1.42 a year ago.

Chairman Harold J. Haynes said domestic petroleum earnings fell to \$106 million from \$119 million mainly because of the need to buy oil in the spot market to meet customer commitments.

Chevron profits from foreign petroleum operations rose from \$109 million to \$187 million as a result of the strengthening of the dollar and reduction of foreign inventories, plus price increases, the steadily rising output from the Ninian field in the North Sea and increased business from Canadian operations.

Continental Oil Co. of Stamford, Conn., another major, earned \$1.50 a share against 34 cents a year ago. Conoco earned \$161.8 million on sales of \$2.8 billion against \$36.5 million on sales of \$2.1 billion last year.

The company said its profit on domestic petroleum operations was \$74.4 million, an increase of \$23.1 million, and its foreign petroleum profit was \$58.3 million, up \$19 million from a year ago.

In Washington, criticism of the profits and the Carter administration's plans to deal with them was not hard to find.

Sen. Edward M. Kennedy, D-Mass., chairing an energy subcommittee hearing of the Joint Economic Committee, attacked Carter's proposed tax to recapture windfall profits that will accrue to the oil companies when their prices are allowed to rise from the average of

\$12 a barrel now to the world level of about \$18 a barrel.

Kennedy called the tax plan "fundamentally a charade," and suggested Congress would be unlikely to pass a windfall proposal as strong as Carter wants.

Rep. Charles Vanik, D-Ohio, said he intends to ask the Ways and Means Committee to look at company tax returns to find out exactly

what the profits are.

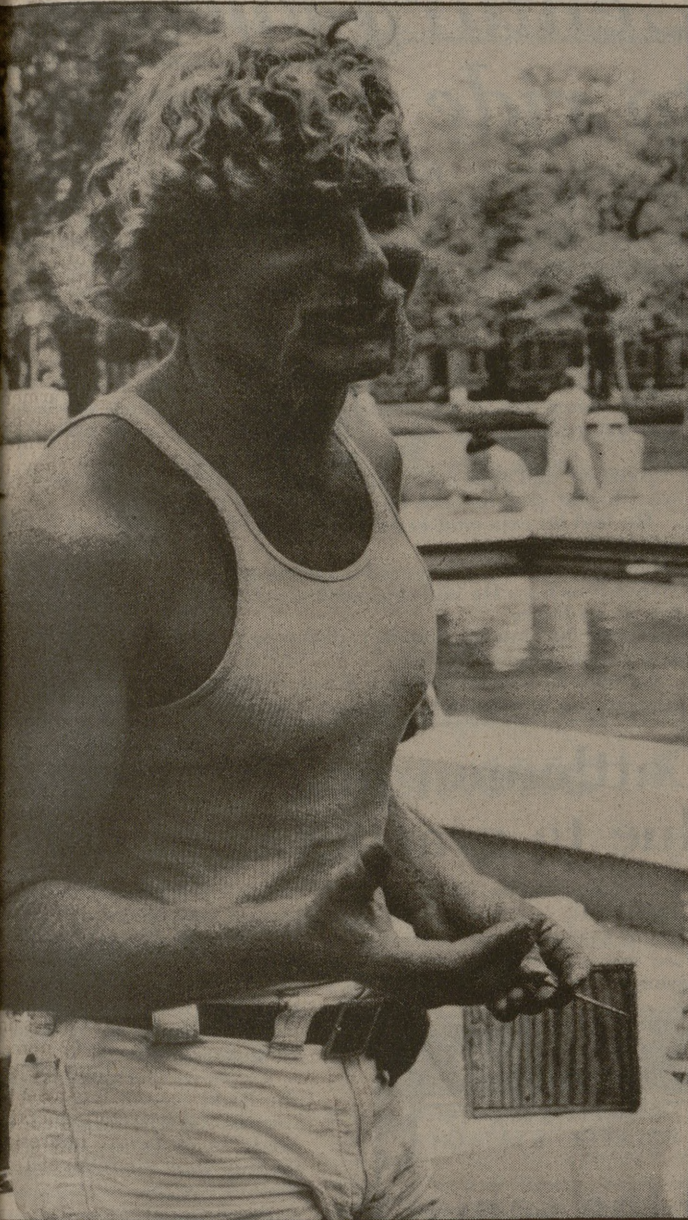
"I estimate that the profits of American oil companies are reported at less than one-half their true dimension," Vanik said. "If the American people really knew the truth about oil profits for certain elements of the oil industry, they would explode with indignation."

Rep. John Dingell, D-Mich., said he suspects Carter's profits tax pro-

posal is inadequate to control windfall profits.

He added he would be "impressed and surprised" if the companies put their new revenues to work in oil and gas exploration, rather than in acquisition of companies in unrelated fields.

Wednesday was the third straight day that most oil companies reported hefty first quarter gains.



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Battalion photo by Lynn Blanco

## Carter proposes 50 percent tax on oil corporation windfall profits

**United Press International**  
WASHINGTON — President Carter proposed Thursday a 50 percent windfall profits tax effective Oct. 1 to prevent oil producers from reaping excess revenues from the control of oil prices.

The president signed the tax proposal in an Oval Office ceremony Tuesday, sending it to Congress. Members of the House Ways and Means Committee were given a

preview earlier in the day and said that they had reached agreement with Carter on the tax, and forecast that it would pass the House.

"The tax recaptures \$2.4 billion between now and Oct. 1 of the windfall profits resulting from decontrol," Carter said, describing it as a means "to prevent U.S. oil producers from reaping unearned excess" revenues.



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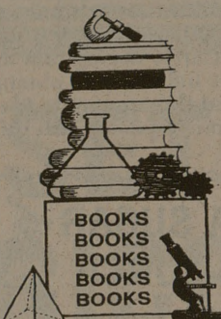
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