



NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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DOLE FAVORS 'LEGITIMATE WINDFALL PROFITS TAX', CALLS FOR ENACTMENT OF
'PRODUCTION INCENTIVE LEVY' TO ENSURE NEW EXPLORATION

WASHINGTON— Senator Bob Dole (R.—Kansas) today announced he favored the concept of a windfall profits tax, but called President Carter's proposal "flawed."

Dole, ranking Republican on the Senate Finance Committee, told his colleagues that he believes Congress should enact a "production incentive levy" to ensure new exploration and development.

The following is Senator Dole's statement:

"The recent proposal announced by the Administration to impose a tax on the increased oil revenue that will be generated by oil decontrol has been called a "windfall profits" tax. However, windfall profits is a misnomer. The President's proposal is an excise tax on crude oil—not a tax on profits. It is a warmed over version of the crude oil equalization tax which Congress rejected last year," said Dole.

"The Senator from Kansas opposed the crude oil equalization tax in the 95th Congress. I remain opposed to oil taxes that are designed to punish consumers and raise revenue for the government without any assurances of new energy production.

"The Administration's plan is again seriously deficient. It fails to address the production side of the energy issue. However, the Senate should not reject the concept of an oil production levy.

"The decontrol of oil will increase revenues to the oil companies. Decontrol will reduce the morass of regulations on American industry. It will end the subsidy on foreign oil which artificial domestic prices have created. However, decontrol, by itself, is not the answer.

"The American public is very wary of both the oil companies and the government. Many Americans do not believe we face a serious energy supply problem. I believe the country has adequate energy resources. We need, though, to provide the proper incentives for energy development. Taking money—by fiat—from producers will not result in new production.

"I favor a properly structured tax on the revenues released by decontrol which will ensure new supplies. I also favor a legitimate "windfall profits" tax. I believe Congress should enact a "production incentive levy" to ensure new exploration and development.

"If the oil companies do not expand exploration, I believe the government should direct the money to energy development and to help ease the financial burdens for many Americans which increased prices will impose. New supplies will benefit all Americans. They will create competition for the OPEC cartel which will particularly help crude-deficient areas of the country.

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-2-

DOLE CHALLENGES OIL COMPANIES

"Most of the oil companies have already announced their opposition to the Administration's excise tax. They have also stated that the Congress should not concern itself because most of the new revenues will be put back into production. I believe we should ensure this result. The oil companies should endorse a tax that backs up their intentions. If they are being honest with the Congress and the American people, they should not be afraid of a production incentive levy because under such a plan, the tax would be reduced for new development expenses.

"I commend the President for his action on price decontrol. Although the second part of his plan--COET II--is flawed, Congress can still salvage the situation," Dole concluded.

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