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STATEMENT BY TREASURY SECRETARY G. WILLIAM MILLER
ON OIL COMPANY EARNINGS

This week's reports of major increases in oil company earnings reinforce the urgent need for the Congress to enact promptly the Administration's Windfall Profits Tax. The Windfall Profits Tax proposed by President Carter and passed by the House of Representatives left ample incentives for oil companies to explore for new oil. Furthermore, substantial increases in world oil prices since the House action mean profits will be higher than previously expected, even after the Windfall Profits Tax.

These changing circumstances make it even clearer that there is no justification for diluting the proposed Windfall Profits Tax. Continuous changes in both price and availability in world oil markets demonstrate the importance of the Administration's program to diminish our reliance on imported oil. A substantial Windfall Profits Tax is essential in order to provide adequate funds for development of domestic sources of unconventional energy, for major conservation projects such as expanded public transportation, and to offset economic hardship on those least able to bear the burden.

The third quarter earnings reports of major U.S. oil companies dramatize the merits of our proposed Windfall Profits Tax, which is fair both to the oil companies and to the American people.

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