



**BOARD OF SUPERVISORS
COUNTY OF SANTA CLARA**
ROOM 524 / COUNTY ADMINISTRATION BUILDING
70 WEST HEDDING ST. / SAN JOSE, CALIFORNIA 95110 / 299-2323

DOMINIC L. CORTESE
SUPERVISOR SECOND DISTRICT

POSITION PAPER REGARDING
1979 OIL CRISIS/EXCESS PROFITS/NATIONALIZATION
BY SUPERVISOR DOMINIC L. CORTESE

Thank you for your inquiry as to the reason I urged the Board of Supervisors to impose an Excess Profits Tax on oil companies doing business in the U.S., or, in the alternative, the Nationalization of the American Oil Industry.

I would like to share my reasoning and philosophy with you.

I feel the American public has been kept totally uninformed as to the real resources.

Misinformation has continually been given to the American people regarding our supplies of natural resources, availability and price, creating a basic distrust towards the oil companies and government. I feel it is a moral obligation to keep the public informed on issues.

Discrepancies in oil company profits., i.e., John Mercer, National Chamber of Commerce, advised the Santa Clara County Board of Supervisors the oil company profits were 4-1/2 to 5%. Recent reports indicate oil companies are reporting profits ranging from 18 to 343%. (Clippings Enclosed.)

Similar threats to the American people by powerful industries have occurred in our past history resulting in proposals for government controls, as in the cases of President Roosevelt with the power utilities industries and President Kennedy with the steel industry, or actual control, i.e., President Truman with the railroad industry.

Because of the shortage of said resources undue stress, both financial and emotional, is being placed upon the American people, not knowing if they will have enough fuel to carry on their daily activities and responsibilities.

Such stress is being manifested in ever greater frequency at the gasoline pumps, creating a threatening and intimidating environment for our citizens.

The price of fuel, coupled with the rising costs of housing, food and medical care have increasingly limited the freedom, happiness and well-being of the American people.



These oil companies continue to centralize gasoline distribution stations for their convenience, creating further consumption, costs and stress on our citizens.

The lack of uniform pricing does not correspond with supply and demand price setting, creating flagrant violations of federal statutes regarding the wholesale increase and variations of prices at our local pumps.

The "Windfall Profits" the oil companies could receive without the proposed excess profits tax would be in direct conflict with President Carter's salary and wage guidelines, creating unequal treatment to business enterprises.

These greatly increased "Windfall Profits" could be employed to the greater advantage of the American people by mandating their reinvestment in the development of American energy independence through the device of the enactment of an excess profits tax.

The failure of the Congress to enact such a tax would amount to a gift of wealth to the oil industry of unprecedented value, thereby compelling the people to seek the alternative of nationalization of the oil industry.

Without any action, our economy will die.

Further, our citizens do not have alternatives. We can go to the market and purchase different types of lettuce, bread, dairy products. We cannot do this with gas. We do not really know what contracts exist between the oil companies and OPEC.

The consumer should not carry this burden. We are demanding actions and answers.

The American public has repudiated a recent war, a recent President was taken out of office, Proposition 13 took California by storm. The public wants ANSWERS.

Recent local action by the Santa Clara County Board of Supervisors includes asking Governor Brown to enact emergency regulations (odd-even plan) if the allocation for this area drops below the 85% level. Additionally, we have a plan ready for implementation (attached), should this occur, which appears quite likely in the future.

This natural resource, although managed by private industry, belongs to all the people, not any select group.

I hope I have answered some of your questions. If you need further information, please call me at (408) 299-2323.

DLC:ls
4/26/69

Attachments