

Return oil profits to American people

By GAR ALPEROVITZ

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WASHINGTON -- It's nearly impossible for the average citizen to grasp the scale of ExxonMobil Corp.'s huge profits.

In the quarter ended Dec. 31, the giant company made \$10.7 billion, the equivalent of more than \$115 million for every one of its 92 days, nearly \$5 million each hour, more than \$80,000 every minute, nearly \$1,350 each second.

ExxonMobil's overall 2005 revenues of \$371 billion amounted to more than \$1 billion a day! The total was larger than the entire economies of all but 16 of the 184 countries ranked by the World Bank. It was 40 percent greater than the gross national product of Indonesia, a member of the Organization of Petroleum Exporting Countries with a population of 242 million.

Some of this gigantic financial flow, of course, is because of intelligent investment, efficiency and hard work. A very large part, however, occurred simply because ExxonMobil happened to be standing in the right place at the right time holding a bushel basket (or a huge oil drum) collecting surplus profits resulting from chance and other people's misfortune.

First, the Iraq war helped add billions to ExxonMobil's windfall gains by raising the price of crude oil, gasoline and natural gas. Then Hurricanes Katrina and Rita disrupted domestic production and refining, pushing prices even higher.

All of us pay for the huge profits, but poor Americans living in colder regions and working people who must commute long distances are the ones whose contribution to ExxonMobil's profits are the most painful.

The U.S. Energy Information Administration estimates that home heating oil prices this year will be 23 percent higher than last year; throughout the Northern states, this means not only discomfort but real hardship, even death for some of the elderly.

As to people who must drive to work: A 2005 CNN poll found 58 percent of drivers experiencing severe or moderate hardship when gasoline was at \$2.22 a gallon. Now the government is predicting \$2.41 a gallon for this year.

Some experts believe the gigantic profits result not from chance but from limited refining capacity - possibly deliberate - reducing supply and boosting prices. Although demand has grown

dramatically in recent decades, Jamie McCourt, president of the Foundation for Taxpayer and Consumer Rights, observes: "We haven't had a refinery built since 1976."

In the best of all possible worlds, ExxonMobil might recognize the sources of its good fortune and give something of reasonable scale back to the American people (beyond the relatively modest amount it donates to the arts, education and other causes).

It might, for instance, help make heating oil available to low-income citizens, as Venezuela is doing in Massachusetts, New York and Maine.

Or it could simply contribute money to help offset the pain: Appropriations for the Low Income Housing Energy Assistance Program for this fiscal year are only \$2.1 billion, nearly \$3 billion short of what Congress authorized.

Beyond this, ExxonMobil could make a major contribution to helping rebuild New Orleans, where it has an important refinery. Private citizens have donated about \$3.2 billion so far to the rebuilding effort. The \$13 million contribution ExxonMobil touts on its Web site is a mere one-eighth of 1 percent of the increase in its 2005 profits.

Actually, given its New Orleans refinery, ExxonMobil might do very well by doing good: It could protect its investment by getting serious about helping the city build strong Category 5 levees and restoring hurricane-slowing wetlands. The estimated total cost is \$31 billion - \$5 billion less than ExxonMobil's 2005 huge profit flows.

Unfortunately, we do not live in a world where significant, voluntary "give-backs" to American society are common.

The obvious alternative is some form of taxation, something we have done many times in the past when chance and misfortune have combined to produce unwarranted gains.

Last fall, the Republican-controlled Senate approved a one-year tax increase of \$5 billion for the nation's largest oil companies.

Another Senate-approved measure would effectively remove the foreign tax credit that the nation's three largest oil companies receive for taxes paid in other countries. At the moment, however, even these tiny steps are unlikely to pass the House of Representatives.

It will take an aroused citizenry to demand what should be given freely. Sen. Byron L. Dorgan, a North Dakota Democrat, and six other senators have introduced windfall profits tax legislation. This direction would inevitably have to be at the center of a serious agenda for change as the pain continues to increase.

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