

LARSON, DELAURO PROPOSE REVIVING EXCESSIVE PROFITS TAX

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LARSON, DELAURO PROPOSE REVIVING EXCESSIVE PROFITS TAX Measure Would Extend to Oil Profiteers

MANCHESTER – Flanked by local oil and gasoline dealers and Attorney General Richard Blumenthal, Congressman John B. Larson (CT-1) Thursday announced Thursday that he and Congresswoman Rosa DeLauro (CT-3) will introduce a bill next week to deter price gouging through an excess profits tax.

The bill is modeled after the tax on excessive profits enacted during World War I, World War II and, most recently, the Korean War. It would focus on war profiteering in addition to lavish oil profits. Excess profits recaptured through the levy would be channeled into the Low Income Heating Energy Assistance Program, disaster relief for victims of Hurricane Katrina and veterans' health care.

Larson's path to hearings and legislation originated with local oil dealers who came to him, alarmed that the escalation in prices had no relationship to supplies or refineries.

Larson has already written to the leaders of the House Energy and Commerce committee calling for hearings into spiraling prices. The legislation will also prompt hearings before other committees, including Larson's own House Ways and Means. At his prompting, the Government Accountability Office has agreed to an investigation into the Commodity Futures Trading Commission's oversight of energy-related trading.

Larson said that the bill would "focus a huge spotlight on a problem that has to be addressed now."

"It is time for us to recognize that there is a pervasive sense of greed that reeks from every gas pump in American," Larson said. "Congress must fulfill its responsibility of oversight and review. Congress can't just sit there and shrug its shoulders and ignore the plight of fellow Americans. Speculation and manipulation have subverted the laws of supply and demand. They are accounting for these artificial spikes that occurred long before the terrible rampage of Hurricane Katrina. There is no shortage of oil, there's just an excess of greed reaping record profits on the backs of - and taken from the pockets of - every American."

DeLauro said Congress needs to step in.

"As families are squeezed by rising gas prices, huge oil companies should not enjoy windfall profits – particularly as so many Americans find themselves without electricity, plumbing or shelter in the wake of the Katrina disaster," DeLauro said. "This should be a moment for unity in our country, which is why when Congress reconvenes next week, I intend to work with my colleagues to prevent any excessive profiting at the expense of American consumers."

Attorney General Richard Blumenthal, who is monitoring gas costs around the state for signs of price gouging, said that the act of holding hearings by itself into profiteering and excess profits would hearings on excess profits would have the effect of putting the industry on notice.

"Aggressive intervention is vital at the federal level – to tax the unconscionable profit of big oil and prevent profiteering at consumers' expense, and to stop monopolistic conspiracies and anticompetitive action by these companies," Blumenthal said. "I will be reaching out to my colleagues, attorneys general around the country, to monitor and investigate market supplies and price spikes and stop violation of our state antitrust laws."

Larson emphasized that Congressional action in concert with measures taken by state attorney generals will help prevent consumers from being exploited.

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