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1976 PROFITABILITY OF SELECTED MAJOR OIL COMPANY OPERATIONS

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RUSSELL B. LONG, *Chairman*



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PROFITABILITY OF SELECTED MAJOR OIL COMPANY OPERATIONS

**(Data Supplied by 10 Major Oil Companies in Response
to Committee Request)**

PREFACE

On December 30, 1974, the Committee on Finance issued an analysis of selected oil companies' profitability over the period 1964-73, entitled "Profitability of Selected Major Oil Company Operations." This analysis was based on information supplied by 10 selected oil companies, and included the companies responses to a Committee questionnaire as well as various summaries of the information in such responses.

On June 25, 1975, the Committee issued an updated analysis of the same selected oil companies' profitability over the period 1965-74, plus the first quarter of 1975, entitled "1974 Profitability of Selected Major Oil Company Operations." In December 1976 this analysis was again updated, covering the period 1966-75 and first quarter of 1976. In order to update the 1975 analysis with the results of 1976 operations, the Chairman made the following request of the 10 companies:

"The new survey will require the same information for 1976 and first quarter 1977 as is shown in the enclosed copy of '1975 Profitability of Selected Major Oil Company Operations' . . . If there are any corrections with respect to previous years' data shown in the 1975 analysis, they should be supplied, along with the original figures being corrected."

Included in this Committee print are tables reflecting the information supplied by the companies with respect to their operations for 1976 and first quarter 1977. Summaries of earlier years' operations, derived from tables included in previously issued analyses are reprinted here for purposes of comparison, subject to revisions in information previously supplied by the companies. Also included is a table of rates of return for all manufacturing, durable and nondurable manufacturing, derived from Quarterly Financial Reports issued by the Federal Trade Commission, for purposes of comparison with the returns of the 10 selected oil companies.

As indicated previously, several of the companies express concern that annualization of the first quarter rates of return for 1977 should not be construed as an estimate of the earnings rate for the entire year 1977. In addition, some companies caution that rates of return on shareholders' equity, where such equity is based on historical or book costs (as is the case in the tables herein), tend to be significantly overstated in periods of inflation—since historical costs understate the value of assets being utilized or consumed in such periods.

TABLE 1.—RATES OF RETURN ON SHAREHOLDERS' INVESTMENT FOR 10 MAJOR OIL COMPANIES, 1967-76

[In millions of dollars]

	1st quarter 1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967
Total Rates of Return											
Exxon ^{1 2 3}	14.6	14.8	15.3	20.4	18.8	12.8	13.5	12.6	12.5	13.3	12.6
Gulf ^{4 5}	9.6	12.2	11.2	18.6	15.2	8.6	10.9	11.2	13.1	14.4	14.2
Mobil ⁶	12.5	13.2	12.3	17.2	15.6	11.5	11.5	10.9	10.9	10.8	10.3
Phillips ^{1 6 7}	22.3	16.1	14.9	15.8	11.6	9.7	9.7	9.9	10.5	11.3	13.7
Shell ⁸	14.7	16.6	13.8	18.7	11.1	9.2	8.9	8.8	11.5	15.1	15.0
Standard of California ⁴	12.9	13.0	12.0	15.8	15.3	10.8	10.7	10.0	10.5	11.0	10.6
Standard of Indiana ^{1 2}	16.5	16.7	15.7	20.9	13.1	10.5	11.0	10.9	11.0	10.3	9.8
Standard of Ohio ¹	2.2	5.3	4.0	6.0	7.0	4.5	6.1	7.8	6.6	17.1	18.2
Sun ¹	14.4	15.8	10.0	19.1	12.8	9.1	9.4	8.7	9.8	11.3	NA
Texaco ^{4 9}	10.8	9.9	9.7	19.5	17.7	12.7	13.7	13.2	12.9	15.3	15.0
Weighted average ^{9 10}	13.2	13.6	12.7	18.6	15.8	11.1	11.6	11.3	11.7	12.8	12.5
U.S. Rates of Return											
Exxon ^{1 2}	17.2	19.4	21.3	22.0	17.6	15.3	15.3	14.0	15.0	14.0	14.1
Gulf ^{4 5}	9.6	11.6	13.0	12.3	7.8	10.9	11.5	11.9	14.1	15.9	15.9
Mobil ⁶	22.4	15.4	8.0	10.6	10.1	9.2	9.3	10.1	10.8	10.4	9.8
Phillips ^{1 6 7}	12.8	18.8	15.4	16.5	10.5	11.3	10.2	11.2	11.8	12.6	14.8
Shell ⁸	14.9	17.3	14.9	20.3	12.4	10.1	9.7	9.2	11.4	14.9	14.4
Standard of California ⁴	11.7	12.1	6.4	9.1	5.6	6.4	6.0	6.3	7.4	7.4	7.0
Standard of Indiana ^{1 2}	15.9	18.2	16.1	21.6	14.9	12.1	11.0	12.2	12.6	11.9	12.4
Standard of Ohio ¹	2.2	5.3	3.8	6.0	4.6	1.6	4.8	7.2	5.1	15.4	15.7
Sun ¹	16.0	20.8	15.4	20.5	12.9	12.5	12.6	11.1	12.4	15.7	NA
Texaco ^{4 9}	10.8	12.1	9.8	10.6	11.9	12.5	12.1	12.8	11.7	17.1	17.0
Weighted average ^{9 10}	13.5	15.5	12.9	15.2	11.6	10.8	10.8	11.0	11.6	13.1	12.9

Foreign Rates of Return

Exxon ^{1 2 3}	13.0	12.0	12.1	19.5	19.5	12.3	12.5	11.6	10.8	12.8	11.8
Gulf ⁴	9.5	12.9	8.5	27.1	24.4	5.5	10.0	10.0	11.4	12.1	11.4
Mobil ^{4 11}	12.6	10.8	18.1	25.9	21.2	14.1	14.2	12.0	10.9	11.4	10.8
Phillips ^{1 7}	21.5	11.6	14.0	14.5	14.2	5.2	8.2	5.2	5.2	4.9	7.9
Shell ⁴	4.8	Loss	Loss	Loss	Loss	Loss	Loss	Loss	100+	100+	100+
Standard of California ⁴	14.4	14.3	19.6	25.5	29.7	17.8	19.0	17.8	17.5	19.4	19.0
Standard of Indiana ^{1 2}	18.1	12.0	14.7	19.2	8.4	6.3	11.1	7.7	6.5	5.4	.6
Standard of Ohio ^{1 6}	(⁶)	(⁶)	(⁶)	(⁶)	79.7	142.4	73.4	41.2	55.9	41.7	55.2
Sun ¹	8.8	1.7	Loss	15.8	12.8	3.2	3.4	1.1	(^{6 10})	(^{6 10})	NA
Texaco ^{4 9}	10.7	7.6	9.7	28.9	23.9	12.9	15.6	13.9	14.8	12.5	12.2
Weighted average ¹⁰	12.6	11.1	12.6	23.0	21.1	.....	.....	11.8	.....	.....	11.8

¹ Rates of return are for petroleum operations only.

² Foreign rate of return revised to accord with FASB 1975 revision of accounting standards for 1974.

³ The total figures represent the return for the total corporation. The breakdowns into U.S. and foreign segments returns are based on some arbitrary assumptions concerning the allocation of the corporation's financing and of headquarters' net assets and administrative costs.

⁴ Rates of return are for total corporate operations.

⁵ Gulf restated U.S. and total rates of return 1966-74 to reflect retroactive effects of adopting FASB No. 9; Gulf 1972 return is before extraordinary write-off.

⁶ Post-1973 foreign investment is negligible.

⁷ The net asset data (stockholders' equity) used in computing the rates of return were obtained by allocating Phillips' total stockholders' equity among its operating segments on the basis of capital employed, as requested by the committee.

⁸ Net loss.

⁹ Texaco restated income and assets for 1964-74 to reflect revision in accounting for exploratory costs from capitalization to expensing of such costs, in accounting for foreign currency translation and for contingencies.

¹⁰ Weighted average refers to total companies' return as a percentage of total companies' net assets.

¹¹ 1976-77 data is for Mobil Oil Corporation, a subsidiary of Mobil Corporation.

General Notes.—Rates of return are calculated on average net assets. 1st quarter 1976 returns are based on assets as of Jan. 1, 1976, generally. The Companies caution that annualization of 1st quarter earnings rates are not to be considered as an estimate of 1976 earnings rates.

Data in this table were supplied by the 10 major oil companies in response to a questionnaire from the Senate Finance Committee asking for profit data from petroleum operations. 5 of the companies reported profits on petroleum operations as requested. 5 companies reported total corporate profit data.

Of the 5 companies reporting total corporate profit, Mobil, Gulf, Shell, and Standard of California all indicated that the nonpetroleum portion of their business was relatively insignificant and its inclusion should not therefore create any distortions in the data.

Source: Responses from the 10 major oil companies listed above to a questionnaire from the Senate Finance Committee. The question as stated by the Finance Committee was: "What was the overall rate of return, after taxes, which your company realized on stockholders' investment devoted to exploration, development, production, manufacturing, transportation and marketing of petroleum products in the United States (and abroad)?"

TABLE 2.—NET INCOME, NET ASSETS, AND RATES OF RETURN FOR 10 MAJOR OIL COMPANIES, 1977 (1st quarter), 1976, 1975, 1974, AND 1973

	1st quarter 1977 (annualized)		1976			1975			1974			1973		
	Net income	Rate of return (per- cent)	Net income	Net assets	Rate of return (per- cent)	Net income	Net assets	Rate of return (per- cent)	Net income	Net assets	Rate of return (per- cent)	Net income	Net assets	Rate of return (per- cent)
Exxon: ¹														
Total.....	615	14.6	2,426	16,369	14.8	2,308	15,085	15.3	* 2,531	12,402	* 20.4	2,300	12,254	18.8
United States.....	278	17.2	1,216	6,265	19.4	1,107	5,189	21.3	1,021	4,647	22.0	830	4,716	17.6
Foreign.....	337	13.0	1,210	10,104	12.0	1,201	9,896	12.1	* 1,510	7,755	* 19.5	1,470	7,538	19.5
Gulf: ²														
Total.....	166	9.6	816	6,700	12.2	700	6,273	11.2	1,065	5,709	18.6	800	5,249	15.2
United States.....	96	9.6	440	3,787	11.6	478	3,663	13.0	401	3,262	12.3	226	2,893	7.8
Foreign.....	70	9.5	376	2,913	12.9	222	2,610	8.5	664	2,447	27.1	574	2,356	24.4
Mobil: ^{2,7}														
Total.....	231	12.5	937	7,120	13.2	810	6,639	12.3	1,047	6,076	17.2	849	5,430	15.6
United States.....	117	12.4	567	3,682	15.4	306	3,858	8.0	366	3,450	10.6	275	2,721	10.1
Foreign.....	114	12.6	370	3,438	10.8	504	2,781	18.1	681	2,626	25.9	574	2,709	21.1
Phillips: ¹														
Total.....	107	22.3	298	1,846	16.1	254	1,703	14.9	233	1,473	15.8	152	1,309	11.6
United States.....	67	22.8	220	1,173	18.8	174	1,132	15.4	162	982	16.5	96	911	10.5
Foreign.....	40	21.5	78	673	11.6	80	571	14.0	71	491	14.5	56	398	14.2
Shell: ²														
Total.....	169	14.7	706	4,252	16.6	515	3,736	13.8	621	3,327	18.7	333	3,010	11.1
United States.....	168	14.9	719	4,146	17.3	541	3,638	14.9	666	3,278	20.3	370	2,993	12.4
Foreign.....	1	4.8	(13)	106	(*)	(26)	97	(*)	(45)	49	(100+)	(37)	17	(100+)
Standard of Cali- fornia: ²														
Total.....	228	12.9	880	6,746	13.0	773	6,467	12.0	970	6,128	15.8	844	5,514	15.3
United States.....	117	11.7	461	3,818	12.1	240	3,753	6.4	327	3,608	9.1	184	3,293	5.6
Foreign.....	111	14.4	419	2,928	14.3	533	2,714	19.6	643	2,519	25.5	660	2,221	29.7
Standard of Indiana: ¹														
Total.....	234	16.5	894	5,340	16.7	761	4,848	15.7	* 873	4,179	* 20.9	466	3,570	13.1
United States.....	158	15.9	700	3,729	18.2	549	3,405	16.1	638	2,959	21.6	381	2,548	14.9
Foreign.....	76	18.1	194	1,611	12.0	212	1,443	14.7	* 235	1,220	* 19.2	85	1,022	8.4
Standard of Ohio: ^{1,8}														
Total.....	8	2.2	76	1,415	5.3	49	1,229	4.0	63	1,045	6.0	69	992	7.0
United States.....	8	2.2	76	1,415	5.3	46	1,228	3.8	63	1,045	6.0	45	962	4.6
Foreign.....						3						24	30	79.7

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Sun Co. : 1														
Total.....	86	14.4	364	2,304	15.8	216	2,163	10.0	375	1,968	19.1	225	1,754	12.8
United States ...	74	16.0	354	1,703	20.8	240	1,559	15.4	280	1,367	20.5	144	1,120	12.9
Foreign ¹	12	8.8	10	601	1.7	(24)	604	(1)	95	601	15.8	81	634	12.8
Texaco: ²														
Total.....	243	10.8	870	8,838	9.9	831	8,535	9.7	1,545	7,910	19.5	1,243	7,041	17.7
United States	111	10.8	532	4,403	12.1	449	4,584	9.8	432	4,057	10.6	434	3,651	11.9
Foreign	132	10.7	338	4,435	7.6	382	3,951	9.7	1,113	3,853	28.9	809	3,390	23.9
10-company total.....	2,087	13.2	8,267	60,930	13.6	7,217	56,677	12.7	9,323	50,217	18.6	7,281	46,123	15.8
United States.....	1,194	13.5	5,285	34,121	15.5	4,130	32,109	12.9	4,356	28,655	15.2	2,985	25,808	11.6
Foreign.....	893	12.6	2,982	26,809	11.1	3,087	24,567	12.6	4,967	21,561	23.0	4,296	20,315	21.1

¹ All income and asset figures are for petroleum operation only.
² All income and asset data are for total corporate operations.
³ Foreign income revised for 1974 to accord with 1975 FASB accounting revision.
⁴ Gulf restated United States and total assets and rates of return 1966-74 to reflect retroactive effects of adopting FASB No. 9; Gulf 1972 return is before extraordinary write-off.
⁵ Post-1973 foreign investment is negligible. 1973 foreign income and assets include all foreign operations.
⁶ Texaco restated income and assets for 1964-74 to reflect revision in accounting for exploratory costs from capitalization to expensing of such costs, in accounting for foreign currency translation and for contingencies.
⁷ Note: 1976-77 data is for Mobil Oil Corporation, which is a subsidiary of Mobil Corporation.
⁸ Includes Puerto Rico prior to 1974.
 *Negative rate.
 †Less than a million.
 ‡Net Loss.

General notes: Net assets (shareholders' equity) are average of beginning and ending of year, calculated in some cases from information supplied by the companies. Allocation of net assets by United States and foreign is generally on the basis of the capital employed in the respective operations. This may involve some arbitrary assumptions concerning allocation of the corporation's financing and headquarters' net assets and administrative costs, as noted by Exxon and others. On the other hand, borrowings secured

by assets in a specific location probably have the effect of removing such assets as security for general borrowings, so that allocation of net assets on the basis of location of total assets is not entirely unreasonable. Caution: Annualization of 1st quarter 1976 earnings rates, which are generally based on assets as of Jan. 1, 1976, are not to be considered as an estimate of 1976 earnings rates.

Note: Data in this table were supplied by the 10 major oil companies in response to a questionnaire from the Senate Finance Committee asking for profit data from petroleum operations. Five of the companies reported profits on petroleum operations as requested. Five companies reported total corporate profit data.

Of the 5 companies reporting total corporate profit, Mobil, Gulf, Shell, and Standard of California all indicated that the nonpetroleum portion of their business was relatively insignificant and its inclusion should not therefore create any distortions in the data.

However, due to these variations in reporting by the 10 companies, the 10-company total figures at the end of the table represent only a general order of magnitude of net income and assets and rates of return.

Source: Responses from the 10 major oil companies listed above to a questionnaire from the Senate Finance Committee. The question as stated by the Finance Committee was: "What was the overall rate of return, after taxes, which your company realized on stockholders' investment devoted to exploration, development, production, manufacturing, transportation, and marketing of petroleum products in the United States (and abroad)?"

TABLE 3.—EFFECTIVE TAX RATES PAID BY 10 MAJOR OIL COMPANIES, 1967 TO 1976—INCLUDES ALL TAXES, OTHER THAN EXCISE TAXES, PAID TO FEDERAL, STATE, LOCAL, AND FOREIGN GOVERNMENTS

[In percent]

	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967
Total:										
Exxon ¹	80.9	81.0	81.8	78.1	79.8	76.9	77.8	76.3	75.5	76.5
Gulf.....	69.1	79.1	75.2	67.2	70.2	63.7	55.5	50.2	45.3	47.5
Mobil ⁶	76.1	76.4	73.9	62.4	63.2	63.9	57.1	55.4	54.1	49.6
Phillips ^{1 2}	71.0	65.2	60.8	44.5	51.9	47.5	46.8	42.5	42.2	41.9
Shell.....	52.5	57.8	43.6	43.6	45.6	43.7	46.0	39.1	36.8	36.1
Standard of California.....	62.7	68.2	61.9	59.2	65.1	63.6	60.5	55.8	52.9	48.4
Standard of Indiana ¹	65.7	69.3	54.3	46.6	43.0	40.9	41.1	39.7	42.0	40.9
Standard of Ohio ¹	51.3	47.9	47.4	50.1	56.6	35.6	29.2	58.8	47.2	43.8
Sun ¹	59.6	73.1	62.3	54.1	55.4	54.2	57.0	53.0	48.4	NA
Texaco.....	74.4	77.1	64.0	59.6	64.6	60.8	59.3	57.7	53.2	53.8
10-company average ³.....	73.4	77.9	72.7	67.9	.....	.....	65.5	.....	.....	61.2
United States:										
Gulf.....	48.8	46.7	40.5	41.0	28.5	30.7	31.6	26.9	19.4	29.6
Mobil ⁶	42.3	40.7	42.6	41.5	38.9	45.9	44.1	38.9	34.7	39.7
Phillips ^{1 2}	51.6	51.4	46.9	50.0	48.6	52.8	50.5	45.3	45.8	45.1
Shell.....	52.3	58.1	44.1	44.0	45.7	44.0	46.1	38.3	36.2	35.8
Standard of California.....	46.4	61.2	44.1	49.2	44.8	45.6	44.6	34.9	36.3	36.5
Standard of Indiana ¹	52.5	61.6	46.5	41.6	46.0	48.1	48.1	44.2	48.3	40.6
Standard of Ohio ¹	42.0	27.0	29.2	48.5	56.2	31.0	26.6	59.4	46.7	43.0
Sun ¹	52.0	63.4	48.4	50.5	47.7	47.5	48.3	42.0	37.7	NA
Texaco.....	52.9	61.9	47.0	42.2	38.4	38.5	39.3	36.7	29.5	29.7
Exxon ¹	49.6	50.1	44.5	42.3	40.8	41.3	43.7	40.2	40.5	39.3
10-company average ³.....	49.9	55.2	44.6	43.6	.....	.....	42.8	.....	.....	36.3

Foreign:

Exxon ¹	88.2	90.2	87.2	83.7	87.0	84.4	85.4	85.4	83.1	84.4
Gulf.....	78.9	91.0	81.7	72.1	88.0	79.1	73.2	69.6	67.0	67.9
Mobil ⁶	87.4	82.7	79.8	67.9	71.3	71.3	65.5	67.0	66.4	57.8
Phillips ⁴	90.7	82.0	80.3	.....					
Shell ⁴.....	.....			49.8	.....				
Standard of California.....	72.0	70.5	67.2	61.4	71.2	69.3	67.4	66.0	61.7	55.6
Standard of Indiana ^{1 4}	82.9	79.7	66.9	61.3	22.1	10.1	4.8	..... 57.7		
Standard of Ohio ^{1 5}	97.7	90.3	81.2	58.8	.....			60.3	..... 50.2	
Sun ^{1 4}	93.9	.....	79.1	59.2	77.6	77.1	93.0	..... NA		
Texaco.....	85.1	84.4	68.0	65.2	75.3	70.9	71.8	69.9	72.6	72.8
10-company average ³	85.5	86.8	81.1	75.4	.....			78.3	..... 77.0	

¹ Based on income and taxes of petroleum operations only.

² The rates of profitability of taxes for Phillips were recalculated using the tax and income figures supplied by Phillips; however, Phillips points out that the income shown includes earnings of companies accounted for by the equity method, whereas the tax figures do not include taxes paid by such companies. Hence, the taxes are understated.

³ The 10-company average is the total companies' taxes, in the respective categories, as a percent of total companies' income after tax plus taxes (other than excises) paid or accrued to Federal, State, local and foreign governments. See table 5 for detail of taxes for 1976. Caution: The above ratios reflecting effective tax rates of the companies do not represent the effective tax rate paid to the U.S. Government. Rather, they show the total tax burden sustained by the selected 10 major oil companies.

⁴ These companies had losses on foreign operations in certain years not shown.

⁵ Foreign operations of these companies are, or were, relatively insignificant, i.e., less than 5 percent of net assets.

⁶ 1976 data is for Mobil Oil Corp., a subsidiary of Mobil Corporation.

Note: Data in this table were supplied by the 10 major oil companies in response to a questionnaire from the Senate Finance Committee asking for data from petroleum operations. 5 of the companies reported profits on petroleum operations as requested, 5 companies reported total corporate profit data. 4 of the 5 companies reporting total profit data, Mobil, Gulf, Shell, and Standard of California, all indicated that the nonpetroleum portion of their business was relatively insignificant and its inclusion should not therefore create any distortions in the data.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970, AND 1967

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes ¹	Employed capital ⁸	Rate of profitability of employed capital ⁴
1976							
Exxon, total.....	2,426	48,110	5.0	10,284	19.1	16,369	14.8
United States ²	1,216	12,793	9.5	1,198	50.4	6,265	19.4
Foreign ³	1,210	34,317	3.5	9,086	11.8	10,104	12.0
Gulf, total ⁵	816	18,117	4.5	1,823	30.9	9,258	10.4
United States.....	440	8,100	5.4	419	51.2	5,177	9.5
Foreign.....	376	10,017	3.8	1,404	21.1	4,081	11.5
Mobil, total ^{5 27}	937	23,351	4.0	2,984	23.9	8,803	11.7
United States.....	567	7,007	8.1	416	57.7	4,329	13.7
Foreign.....	370	16,344	2.3	2,568	12.6	4,474	9.7
Phillips, total ⁶	298	4,932	5.3	645	29.0	2,469	11.1
United States.....	220	3,981	5.6	236	48.4	1,570	13.8
Foreign.....	78	951	4.4	409	9.3	899	6.4
Shell, total ⁵	706	9,309	7.6	780	47.5	5,113	14.6
United States.....	719	9,304	7.7	789	47.7	4,947	15.4
Foreign.....	(13)	5	.....	(9)	Loss	166	Loss

∞

Standard of California, total ¹¹	880	20,181	4.4	1,479	37.3	8,578	11.0
United States.....	461	8,247	5.6	399	53.6	5,162	9.9
Foreign.....	419	11,934	3.5	1,080	28.0	3,516	12.3
Standard of Indiana, total ⁶	894	11,227	8.0	1,711	34.3	7,481	12.8
United States.....	700	8,467	8.3	774	47.5	5,447	13.5
Foreign.....	194	2,760	7.0	937	17.1	2,034	10.8
Standard of Ohio, total ⁶	76	2,470	3.1	80	48.7	4,413	1.7
United States.....	76	2,400	3.2	55	58.0	4,413	1.7
Foreign.....		70		25	2.3	(²²)	
Sun Co., total ⁶	364	5,368	6.8	537	40.4	3,539	11.1
United States.....	354	3,882	9.1	383	48.0	2,834	13.2
Foreign.....	10	1,486	0.7	154	6.1	705	2.6
Texaco, total ⁵	870 ¹⁷	26,242	3.3	¹⁸ 2,534	25.6 ¹⁴	11,374	8.4
United States.....	532	8,809	6.0	596	47.1	6,042	9.8
Foreign.....	338	17,433	1.9	1,938	14.9	5,332	6.8
10-company, total ²⁴	8,267	169,307	4.8	22,857	73.4	77,497	(¹⁵)
United States.....	5,285	72,990	7.2	5,265	49.9	46,186	(¹⁵)
Foreign.....	2,982	95,317	3.1	17,592	85.5	31,311	(¹⁵)

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970, AND 1967—Continued

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes ¹	Employed capital ²	Rate of profitability of employed capital ³
1975							
Exxon, total.....	2,308	44,964	5.1	12,121	19.0	16,142	16.0
United States ²	1,107	11,726	9.4	1,113	49.9	6,192	18.1
Foreign ²	1,201	33,238	3.6	11,008	9.8	9,950	14.6
Gulf, total ⁵	700	15,838	4.4	2,656	20.9	8,687	9.6
United States.....	478	7,230	6.6	418	53.3	4,671	10.7
Foreign.....	222	8,608	2.6	2,238	9.0	4,016	8.1
Mobil, total ⁵	810	20,842	3.9	2,625	23.6	8,421	10.8
United States.....	306	6,400	4.8	210	59.3	4,568	7.4
Foreign.....	504	14,442	3.5	2,415	17.3	3,853	14.9

Phillips, total ^a	254	4,529	74.9	421	34.8	2,266	11.8
United States.....	174	3,579	4.8	181	48.6	1,506	11.8
Foreign.....	80	950	5.5	240	18.0	760	11.8
Shell, total ^b	515	8,224	6.3	706	42.2	¹⁰ 4,536	12.2
United States.....	541	8,204	6.6	750	41.9	4,441	13.0
Foreign.....	(26)	20	.....	(44)	(39.1)	95	(²⁵)
Standard of California, total ^{b 11}	773	16,821	4.6	1,655	31.8	7,832	10.9
United States.....	240	6,472	3.7	378	38.8	4,666	6.0
Foreign.....	533	10,349	5.2	1,277	29.5	3,166	18.3
Standard of Indiana, total ^c	761	9,951	7.6	1,714	30.7	6,829	12.0
United States.....	549	7,909	6.9	880	38.4	4,988	11.8
Foreign.....	212	2,042	10.4	834	20.3	1,841	12.8
Standard of Ohio, total ^c	49	2,089	2.3	45	52.1	2,726	1.8
United States.....	46	2,004	2.3	17	73.0	2,726	1.7
Foreign.....	3	85	3.5	23	9.7	(²⁵)	.....
Sun Co., total ^c	216	4,377	4.9	727	22.9	¹⁵ 3,314	⁴ 7.3
United States.....	240	3,627	6.6	416	36.6	2,673	9.6
Foreign.....	(24)	750	(²⁵)	311	(²⁵)	641	(²⁵)

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970, AND 1967—Continued

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes ¹	Employed capital ²	Rate of profitability of employed capital ⁴
1975—Continued							
Texaco, total ⁵	831 ¹⁷	24,331	3.4	¹⁸ 2,799	22.9 ¹⁴	10,774	8.4
United States.....	449	9,209	4.9	730	38.1	5,893	8.1
Foreign.....	382	15,122	2.5	2,069	15.6	4,881	8.7
10-company, total ²⁴	7,217	151,966	4.7	25,469	22.1	71,527	(¹⁵)
United States.....	4,130	66,360	6.2	5,093	44.8	42,324	(¹⁵)
Foreign.....	3,087	85,606	3.6	20,376	13.2	29,203	(¹⁵)
1974							
Exxon, total ¹⁸	2,531	42,087	6.0	11,863	17.6	14,732	19.5
United States ²	1,021	10,761	9.5	817	55.5	5,044	20.5
Foreign ²	1,510	31,326	4.8	11,046	12.0	9,688	19.0
Gulf, total ⁵	1,065	17,952	5.9	3,229	24.8	8,439	14.6
United States.....	401	7,280	5.5	273	59.5	4,871	9.8
Foreign.....	664	10,672	6.2	2,956	18.3	3,568	20.2

Mobil, total ⁵	1,047	19,136	5.5	2,961	26.1	¹⁴ 7,484	14.7
United States.....	366	6,114	6.0	272	57.4	4,168	9.3
Foreign.....	681	13,022	5.2	2,689	20.2	3,316	21.6
Phillips, total ⁶	233	4,234	⁷ 4.9	324	39.2	1,977	12.6
United States.....	162	3,126	5.2	142	53.1	1,317	12.8
Foreign.....	71	1,108	4.0	182	19.7	660	12.3
Shell, total ⁵	621	7,708	8.0	480	56.4	¹⁰ 4,096	16.0
United States.....	666	7,696	8.6	525	55.9	4,055	17.3
Foreign.....	(45)	12	.....	(45)	50.2	41	(100+)
Standard of California, total ^{5 11}	970	17,191	5.6	1,573	38.1	7,067	14.0
United States.....	327	5,478	6.0	258	55.9	4,254	8.0
Foreign.....	643	11,713	5.0	1,315	32.8	2,813	23.3
Standard of Indiana, total ^{5 20}	873	9,063	9.6	1,038	45.7	6,163	15.7
United States.....	638	7,097	9.0	554	53.5	4,498	14.8
Foreign.....	235	1,966	12.0	484	32.7	1,665	16.5
Standard of Ohio, total ⁶	72	1,840	3.9	65	52.6	¹⁴ 1,715	4.3
United States.....	63	1,754	3.6	26	70.8	1,715	4.3
Foreign.....	9	86	10.7	39	18.8	(^m)	(^m)

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970, AND 1967—Continued

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes ¹	Employed capital ²	Rate of profitability of employed capital ⁴
1974—Con.							
Sun Co., total ⁶	375	3,771	9.9	620	37.7	¹⁶ 3,089	12.9
United States.....	280	3,192	8.8	263	51.6	2,440	12.2
Foreign.....	95	579	16.3	357	20.9	649	15.6
Texaco, total ⁵	1,545 ¹⁷	23,056	6.7	¹⁸ 2,743	36.0	¹⁴ 9,952	15.5
United States.....	432	7,612	5.7	382	53.0	5,214	8.3
Foreign.....	1,113	15,444	7.2	2,361	32.0	4,738	23.5
10-company, total ²⁴	9,332	146,038	6.4	24,882	27.3	64,714	(¹⁵)
United States.....	4,356	60,110	7.2	3,512	55.4	37,576	(¹⁵)
Foreign.....	4,976	85,928	5.8	21,370	18.9	27,138	(¹⁵)
1973							
Exxon, total.....	2,300	26,750	8.6	8,180	¹⁹ 21.9	13,779	18.4
United States ²	830	7,265	11.4	608	57.7	4,877	17.2
Foreign ³	1,470	19,485	7.5	7,572	16.3	8,902	19.1

Gulf, total ⁸	800	9,836	8.1	1,641	32.8	7,670	11.7
United States.....	226	4,619	4.9	157	59.0	3,885	6.3
Foreign.....	574	5,217	11.0	1,484	27.9	3,785	17.5
Mobil, total ⁸	849	11,526	7.4	1,409	37.6	10,690	13.8
United States.....	275	3,930	7.0	195	58.5	4,894	8.8
Foreign.....	574	7,596	7.6	1,214	32.1	5,797	19.3
Phillips, total ⁸	152	2,270	7.5	122	55.5	1,860	9.4
United States.....	96	1,861	5.1	97	50.0	1,295	8.6
Foreign.....	56	409	9.0	24	70.0	565	11.2
Shell, total ⁸	333	4,932	6.7	257	56.4	3,951	9.2
United States.....	370	4,932	7.5	291	56.0	3,946	10.2
Foreign.....	(37)			(34)	52.4	4	(100+)
Standard of California, total ^{8 11}	844	7,762	10.9	1,226	40.8	6,870	13.5
United States.....	184	3,538	5.2	178	50.8	4,126	5.2
Foreign.....	660	4,224	15.6	1,048	38.6	2,744	26.7
Standard of Indiana, total ⁸	466	5,697	8.2	408	53.4	4,967	10.1
United States.....	381	4,663	8.2	272	58.4	3,401	11.8
Foreign.....	86	1,033	8.3	136	38.7	1,566	6.2

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970, AND 1967—Continued

[In millions of dollars]

Company	Net Income	Sales	Rate of profitabil- ity of sales	Taxes (other than excise)	Rate of profitabil- ity of taxes ¹	Employed capital ²	Rate of profitabil- ity of employed capital ⁴
1973—Con.							
Standard of Ohio, total ⁶	52	1,225	4.3	52	49.9	¹⁴ 1,419	5.1
United States.....	45	1,181	3.8	42	51.5	1,419	5.1
Foreign.....	7	44	16.9	10	41.2	(²³)	(²³)
Sun Co., total ⁶	225	2,201	10.2	265	45.9	¹⁵ 2,735	9.1
United States.....	144	1,860	7.7	146	49.5	2,023	8.1
Foreign ¹⁶	81	341	23.9	119	40.8	712	11.8
Texaco, total ⁶	1,243	¹⁷ 1,248	11.1	¹³ 1,835	40.4	¹⁴ 8,771	14.2
United States.....	434	4,304	10.1	317	57.8	4,455	9.7
Foreign.....	809	6,944	11.6	1,518	34.8	4,316	18.7
10-company, total ²⁴	7,264	83,403	8.7	15,390	32.1	62,712	(¹⁵)
United States.....	2,985	38,153	7.8	2,303	56.4	34,322	(¹⁵)
Foreign.....	4,280	45,249	9.5	13,091	24.6	28,390	(¹⁵)

1970

Exxon, total.....	1,267	17,842	7.1	4,447	¹⁹ 22.2	12,765	11.1
United States ²	587	5,491	10.7	460	56.1	4,754	12.5
Foreign ²	680	12,351	5.5	3,987	14.6	8,011	10.3
Gulf, total ⁵	550	6,597	8.3	687	44.5	7,397	8.7
United States.....	359	3,881	9.3	166	68.4	3,991	9.8
Foreign.....	191	2,716	7.0	521	26.8	3,406	7.4
Mobil, total ⁵	483	7,369	6.6	639	43.0	7,921	9.8
United States.....	247	3,024	8.2	195	55.9	4,105	9.0
Foreign.....	236	4,345	5.4	444	34.5	3,816	10.8
Phillips, total ⁶	124	1,772	⁷ 6.3	109	¹⁹ 53.2	1,791	8.1
United States.....	110	1,618	6.6	112	49.5	1,412	9.0
Foreign.....	14	154	3.1	(3)	127.3	379	4.8
Shell, total ⁵	237	3,621	6.6	202	54.0	¹⁹ 3,379	7.7
United States.....	249	3,621	6.9	⁹ 213	53.9	3,378	8.0
Foreign.....	(12)	(²⁰)	.....	(12)	51.5	1	(100+)
Standard of California, total ^{5 11}	455	4,386	10.4	696	39.5	5,392	9.2
United States.....	194	2,679	7.2	156	55.4	3,570	5.8
Foreign.....	261	1,707	15.3	540	32.6	1,822	16.2

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970, AND 1967—Continued

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes ¹	Employed capital ²	Rate of profitability of employed capital ⁴
1970—Con.							
Standard of Indiana, total, ⁶	320	4,216	7.6	243	58.9	4,056	8.4
United States.....	258	3,666	7.0	240	51.9	3,049	9.0
Foreign.....	62	550	11.2	3	95.2	1,007	6.6
Standard of Ohio, total ⁶	63	1,071	5.9	26	70.8	¹⁴ 1,188	5.7
United States.....	60	1,046	5.8	22	73.4	1,177	5.5
Foreign.....	3	25	10.7	4	39.7	11	29.6
Sun Co., total ⁶	138	1,686	8.2	183	43.0	¹⁵ 2,299	6.7
United States.....	134	1,503	8.9	125	51.7	1,721	8.4
Foreign ¹⁶	4	183	2.4	58	7.0	578	1.6
Texaco, total ⁵	760	¹⁷ 6,239	12.2	¹³ 1,108	40.7	¹⁴ 6,850	11.1
United States.....	436	3,092	14.1	282	60.7	3,961	11.0
Foreign.....	324	3,147	10.3	826	28.2	2,889	11.2
10-company, total ²⁴	4,397	54,774	8.0	8,340	34.5	53,038	(¹²)
United States.....	2,634	29,621	8.9	1,971	57.2	31,118	(¹²)
Foreign.....	1,763	25,153	7.0	6,368	21.7	21,920	(¹²)

1967

Exxon, total.....	1,119	14,165	7.9	3,642	¹⁰ 23.5	10,285	11.7
United States ²	504	4,378	11.5	326	60.7	3,861	13.1
Foreign ³	615	9,787	6.3	3,316	15.6	6,424	10.9
Gulf, total ⁵	578	5,110	11.3	524	52.5	5,452	11.4
United States.....	412	NA	NA	173	70.4	3,306	NA
Foreign.....	166	NA	NA	351	32.1	2,146	NA
Mobil, total ⁵	385	5,899	6.5	379	50.4	6,224	9.4
United States.....	210	2,518	8.3	138	60.3	3,346	8.8
Foreign.....	175	3,381	5.2	240	42.2	2,878	10.4
Phillips, total ⁶	155	1,646	⁷ 8.9	⁸ 112	¹⁰ 58.1	1,668	10.4
United States.....	141	1,534	8.9	116	54.9	1,404	11.1
Foreign.....	14	112	9.1	(3)	127.3	265	6.4
Shell, total ⁵	285	3,088	9.2	161	63.9	¹⁰ 2,451	12.3
United States.....	274	3,059	9.0	153	64.2	2,450	11.8
Foreign.....	11	29	36.7	8	56.9	1	100+
Standard of California, total ^{5 11}	409	3,467	11.8	383	51.6	4,530	99
United States.....	191	2,391	8.0	110	63.5	3,267	6.5
Foreign.....	218	1,076	20.3	273	44.4	1,263	18.5

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970, AND 1967—Continued

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes ¹	Employed capital ²	Rate of profitability of employed capital ³
1967—Con.							
Standard of Indiana, total ⁶	264	3,376	7.8	183	59.1	3,296	8.4
United States.....	261	3,083	8.5	178	59.4	2,615	10.4
Foreign.....	3	293	1.2	5	42.3	682	0.7
Standard of Ohio, total ⁶	63	533	11.8	49	56.2	¹⁴ 466	14.5
United States.....	57	492	11.6	43	57.0	443	13.6
Foreign.....	6	41	14.6	6	49.2	23	31.7
Sun Co. ²¹							
Texaco, total ⁵	709	¹⁷ 5,164	13.7	¹³ 826	46.2	¹⁴ 5,617	12.6
United States.....	475	2,651	17.9	200	70.3	3,287	14.4
Foreign.....	234	2,513	9.3	626	27.2	2,330	10.1
10-company, total ²⁴	3,967	²² 37,338	²² 9.1	6,259	38.8	39,989	(¹⁵)
United States.....	2,525	20,106	10.5	1,437	63.7	23,979	(¹⁵)
Foreign.....	1,442	17,232	7.4	4,822	23.0	16,010	(¹²)

¹ The rate of profitability of taxes is the ratio of net income to the sum of net income and taxes (other than excises) paid or accrued to Federal, State, local and foreign governments.

² U.S. net income, sales, taxes, and capital employed data are for petroleum and natural gas operations only.

³ Foreign net income, sales, taxes and capital employed data are for petroleum and natural gas operations only for 1973, 1974, and 1975 and for all Exxon foreign operations for 1970 and 1967.

⁴ Based on adjusted net income (i.e., includes after tax interest effect of long-term debt.)

⁵ Net income, sales, taxes, and employed capital figures are total corporate figures.

⁶ Net income, sales, taxes and employed capital figures are for petroleum operations only.

⁷ Net income used for this calculation excludes the company's portion of the earnings of companies accounted for by the equity method since the sales of such companies are not included in the company's financial statements.

⁸ Generally comprises stockholder's equity plus long-term debt.

⁹ U.S. taxes exclude that portion of U.S. taxes incurred in foreign operations for the years 1970 and 1973. These amounts are shown as foreign taxes.

¹⁰ Employed capital shown is beginning of the year balance of shareholders' investment and long-term debt.

¹¹ Data, other than income, is for company and majority owned subsidiaries only.

¹² Rate of profitability of employed capital for all 10 companies could not be computed because the adjusted net income (see note 4) of the individual companies was not supplied.

¹³ Excludes interests in nonsubsidiary companies.

¹⁴ Average borrowed and invested capital.

¹⁵ Defined as total assets less current liabilities.

¹⁶ Foreign data includes Puerto Rico prior to 1974.

¹⁷ Sales revenue excludes gross income from services, equity in net income of nonsubsidiary companies, dividends, interest and other net income, whereas net income is applicable to all sources.

¹⁸ Revised 1974 income, sales and tax figures to accord with FASB 1975 new accounting standards.

¹⁹ The rates of profitability of taxes for years prior to 1974 for Exxon and Phillips were calculated using the income and tax data supplied by the two companies.

²⁰ Revised 1974 income taxes and employed capital figures to accord with FASB 1975 new accounting standards.

²¹ No data were provided by Sun Oil for years prior to 1968.

²² Since U.S. and foreign breakdowns of Gulf's sales data are not available prior to 1968, Gulf has not been included in the 10-company total sales column for 1967, in order that the total, U.S. and foreign rates of profitability of sales will be comparable.

²³ Subsequent to the sale of all Canadian assets in 1972, the capital employed consists of an insignificant amount related to Standard of Ohio's five-twelfths of 1 percent interest in the Iranian oil consortium. A calculated return on capital employed for 1973, 1974, 1975 and 1976 would be meaningless as to foreign operations.

²⁴ Rates of profitability of sales and of taxes are weighted averages based on 10-company totals.

²⁵ Negative rate.

²⁶ Net loss.

²⁷ 1976 data is for Mobil Oil Corp., a subsidiary of Mobil Corp.

NA—Not available.

Note: Data for this table have been supplied by 10 major oil companies in response to a questionnaire from the Senate Finance Committee, asking for rates of profitability of sales, of taxes, other than excise taxes, and of total investment, including borrowed capital. 5 of the companies reported this information for petroleum operations only, while 5 reported total corporate operations. (See headnote to table 1 for explanation of these differences.)

In addition, in determining the rates of profitability of employed capital, the companies based their rates on adjusted net income to include the interest on borrowed capital. Since the adjusted net income figures used for these calculations are not given, it was not possible to determine the rates of profitability of employed capital for the 10-company total.

Source: Responses from 10 major oil companies to a questionnaire from the Senate Finance Committee. The question was stated "What is the rate of profitability to sales? To taxes, other than excise taxes? To total investment, including borrowed capital?"

TABLE 5.—TAX EXPENSE, OTHER THAN EXCISE TAXES, IN 1976

[In millions of dollars]

Company	Federal income taxes	Employment taxes (Federal and State)	Production and severance taxes	State income and franchise taxes	Ad valorem taxes	Foreign taxes	All other taxes ¹⁰	Total
Exxon: ⁸								
Total	866	143	163	53	177	¹ 4,181	4,701	10,284
United States	830	31	144	53	112	.....	28	1,198
Foreign	36	112	19	.....	65	¹ 4,181	4,673	9,086
Gulf:								
Total	226	45	87	12	78	² 1,166	209	1,823
United States	226	27	73	12	58	.....	23	419
Foreign.....	.....	18	14	.....	20	² 1,166	186	1,404
Mobil:								
Total	191	70	55	44	98	1,033	1,493	2,984
United States	191	34	52	44	81	.....	14	416
Foreign.....	.....	36	3	.....	17	1,033	1,479	2,568

Standard of Indiana: ⁸								
Total.....	" 470	32	110	17	92	' 836	154	1,711
United States.....	497	26	94	17	87	.....	53	774
Foreign.....	(27)	6	16	.....	5	' 836	101	937
Standard of Ohio: ⁸								
Total.....	20	11	17	4	14	13	1	80
United States.....	20	11	5	4	14	.....	1	55
Foreign.....	.....	.....	12	.....	.....	13	.....	25
Sun Oil: ⁸								
Total.....	225	18	96	9	46	' 112	31	537
United States ⁹	225	17	62	9	41	.....	29	383
Foreign.....	.....	1	34	.....	5	' 112	2	154
Phillips: ⁸								
Total.....	145	9	29	13	26	418	5	645
United States.....	158	8	29	13	26	.....	2	236
Foreign.....	(13)	1	.....	.....	.....	418	3	409
Shell:								
Total.....	" 517	30	70	43	85	.....	35	780
United States.....	526	30	70	43	85	.....	35	789
Foreign.....	(9)	.....	.....	.....	.....	.....	.....	(9)

TABLE 5.—TAX EXPENSE, OTHER THAN EXCISE TAXES, IN 1976—Continued

[In millions of dollars]

Company	Federal income taxes	Employment taxes (Federal and State)	Production and severance taxes	State income and franchise taxes	Ad valorem taxes	Foreign taxes	All other taxes ¹⁰	Total
Standard of California:								
Total.....	154	34	51	24	137	^{6 7} 304	775	1,479
United States.....	141	28	51	24	124	.....	31	399
Foreign.....	13	6	.....	.....	13	^{6 7} 304	744	1,080
Texaco:⁵								
Total.....	206	74	158	30	97	729	1,240	2,534
United States.....	206	36	155	30	80	.....	90	597
Foreign.....	.....	38	3	.....	17	729	1,150	1,937
10-company total:								
Total.....	3,020	466	836	249	850	8,792	8,644	22,857
United States.....	3,020	248	735	249	708	306	5,266
Foreign.....	218	101	142	8,792	8,338	17,591

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¹ Estimated credit utilizable in 1976 is \$650.
² Estimated credit utilizable in 1976 is \$621.
³ Estimated credit utilizable in 1976 is \$445.
⁴ Estimated credit utilizable in 1976 is \$52.
⁵ This schedule excludes interests in nonsubsidiary companies.
⁶ Excludes company's share of taxes paid by affiliates such as Aramco and Caltex.

⁷ Estimated credit utilizable in 1976 is \$224.
⁸ Petroleum operations only.
⁹ Includes Puerto Rico.
¹⁰ Includes \$2 per barrel import fee.
¹¹ Tax expense includes deferred income taxes.

TABLE 6.—SELECTED FINANCIAL DATA, DIVIDED INTO DOMESTIC AND FOREIGN OPERATIONS OF 10 MAJOR OIL COMPANIES FOR 1976 AND FOR 10-YR PERIOD, 1966-75

[In millions of dollars]

	Capital expenditures and exploration expense (1)	Net income (2)	Exploration expense (3)	Adjusted earnings (2+3) (4)	Capital recovery (5)	Dividends paid ¹ (6)	Adjusted cash flow (4+5-6) ² (7)	Capital expenditures and exploration expense as percent of—	
								Adjusted earnings (1+4) (8)	Adjusted cash flow (1+7) (9)
1976									
Exxon, total ³	3,984	2,426	383	2,809	1,330	1,216	2,923	141.8	136.3
United States.....	2,352	1,216	201	1,417	639	584	1,472	166.0	159.8
Foreign.....	1,632	1,210	182	1,392	691	632	1,451	117.2	112.5
Gulf, total.....	1,726	816	364	1,180	631	336	1,475	146.3	117.0
United States.....	1,178	440	219	659	427	181	905	178.8	130.2
Foreign.....	548	376	145	521	204	155	570	105.2	96.1
Mobil, total ¹⁰	1,380	937	207	1,145	583	358	1,369	120.5	100.8
United States.....	890	567	116	683	345	217	811	130.4	109.8
Foreign.....	490	370	91	462	238	141	558	106.0	87.7

See footnotes at end of table.

TABLE 6.—SELECTED FINANCIAL DATA, DIVIDED INTO DOMESTIC AND FOREIGN OPERATIONS OF 10 MAJOR OIL COMPANIES FOR 1976 AND FOR 10-YR PERIOD, 1966-75—Continued

[In millions of dollars]

	Capital expenditures and exploration expense (1)	Net income (2)	Exploration expense (3)	Adjusted earnings (2+3) (4)	Capital recovery (5)	Dividends paid ¹ (6)	Adjusted cash flow (4+5-6) ² (7)	Capital expenditures and exploration expense as percent of—	
								Adjusted earnings (1+4) (8)	Adjusted cash flow (1+7) (9)
1976—Con.									
Phillips, total ³	694	298	48	346	245	97	494	200.6	140.5
United States.....	339	220	24	244	160	72	332	138.7	101.7
Foreign.....	355	78	24	102	85	25	162	348.2	219.6
Shell, total.....	1,549	706	165	871	639	150	1,360	177.8	113.9
United States.....	1,463	719	147	866	599	150	1,315	168.9	111.3
Foreign.....	86	(13)	18	5	40	.....	45	1,720.0	191.1
Standard of California, total ⁴	1,071	880	295	1,175	554	365	1,364	91.1	78.5
United States.....	687	461	161	622	428	191	859	110.5	80.0
Foreign.....	384	419	134	553	126	174	505	69.4	76.0

Standard of Indiana, total ²	1,406	894	368	1,262	612	337	1,537	111.4	91.5
United States.....	877	700	188	888	431	264	1,055	98.8	83.1
Foreign.....	529	194	180	374	181	73	482	141.4	109.8
Standard of Ohio, total ²	1,653	76	6	82	60	26	116	2,015.9	1,425.0
United States.....	1,653	76	6	82	60	26	116	2,015.9	1,425.0
Foreign.....									
Sun Co., total ²	607	364	124	488	273	107	654	166.8	92.8
United States ⁶	478	354	85	439	218	104	553	135.0	86.4
Foreign.....	129	10	39	49	55	3	101	1,290.0	127.7
Texaco, total.....	1,505	870	261	1,131	664	543	1,252	133.0	120.2
United States.....	982	532	152	684	460	299	846	143.0	116.1
Foreign.....	523	338	109	447	204	244	406	116.9	128.6
10-company, total.....	15,575	8,267	2,221	10,489	5,591	3,535	12,544	148.5	124.2
United States.....	10,899	5,285	1,299	6,584	3,767	2,088	8,264	165.5	131.9
Foreign.....	4,676	2,982	922	3,905	1,824	1,447	4,280	119.7	109.3

See footnotes at end of table.

TABLE 6.—SELECTED FINANCIAL DATA, DIVIDED INTO DOMESTIC AND FOREIGN OPERATIONS OF 10 MAJOR OIL COMPANIES FOR 1976 AND FOR 10-YR PERIOD, 1966-75—Continued

[In millions of dollars]

	Capital expenditures and exploration expense (1)	Net income (2)	Exploration expense (3)	Adjusted earnings (2+3) (4)	Capital recovery (5)	Dividends paid ¹ (6)	Adjusted cash flow (4+5-6) ² (7)	Capital expenditures and exploration expense as percent of—	
								Adjusted earnings (1+4) (8)	Adjusted cash flow (1+7) (9)
1966-75									
Exxon, total³	21,756	16,140	2,452	18,592	9,353	8,413	19,532	117.0	111.4
United States.....	9,141	7,043	1,286	8,329	3,969	3,697	8,601	109.7	106.3
Foreign.....	12,615	9,097	1,166	10,263	5,384	4,716	10,931	122.9	115.4
Gulf, total	10,557	6,433	1,531	7,964	5,022	2,949	10,037	132.6	105.2
United States.....	6,222	3,759	677	4,436	3,165	1,723	5,878	140.3	105.9
Foreign.....	4,335	2,674	854	3,528	1,857	1,226	4,159	122.9	104.2

Mobil, total	10,393	5,933	1,405	7,338	4,384	2,519	9,203	141.6	112.9
United States	5,864	2,545	691	3,236	2,718	1,112	4,842	181.2	121.1
Foreign	4,529	3,388	714	4,102	1,666	1,407	4,361	110.4	103.9
Phillips, total ²	3,604	1,570	174	1,744	1,826	835	2,735	206.7	131.8
United States	2,205	1,264	102	1,366	1,304	696	1,974	161.5	111.7
Foreign	1,399	306	72	378	522	139	761	369.8	183.9
Shell, total	7,641	3,354	1,014	4,368	3,917	1,591	6,694	174.9	114.1
United States	7,256	3,500	870	4,370	3,730	1,591	6,509	166.0	111.5
Foreign	385	(146)	144	(2)	187	.....	185	.....	208.1
Standard of California, total ^{4 11}	9,095	5,801	1,424	7,225	3,710	2,494	8,441	156.8	107.7
United States	6,324	2,152	873	3,025	3,014	959	5,080	293.9	124.5
Foreign	2,771	3,649	551	4,200	696	1,535	3,361	75.9	82.4
Standard of Indiana, total ²	8,911	4,212	1,930	6,142	3,554	1,676	8,020	145.1	111.1
United States	5,971	3,377	1,124	4,501	2,856	1,363	5,994	132.7	99.6
Foreign	2,940	835	806	1,641	698	313	2,026	179.2	145.1

See footnotes at end of table.

TABLE 6.—SELECTED FINANCIAL DATA, DIVIDED INTO DOMESTIC AND FOREIGN OPERATIONS OF 10 MAJOR OIL COMPANIES FOR 1976 AND FOR 10-YR PERIOD, 1966-75—Continued

[In millions of dollars]

	Capital expenditures and exploration expense (1)	Net income (2)	Exploration expense (3)	Adjusted earnings (2+3) (4)	Capital recovery (5)	Dividends paid ¹ (6)	Adjusted cash flow (4+5-6) ² (7)	Capital expenditures and exploration expense as percent of—	
								Adjusted earnings (1+4) (8)	Adjusted cash flow (1+7) (9)
1966-75—Continued									
Standard of Ohio, total ²	3,287	524	40	564	453	247	768	582.8	428.0
United States.....	3,269	471	32	503	437	222	716	649.9	456.6
Foreign.....	18	53	8	61	16	25	52	29.5	34.6
Sun Co., total ^{2b}	3,393	1,574	538	2,112	1,326	548	2,890	215.6	117.4
United States ⁷	2,438	1,405	351	1,756	1,058	485	2,329	173.5	104.7
Foreign.....	955	169	187	356	268	63	561	565.1	170.2

Texaco, total ⁶	7,328	5,271	987	6,258	2,519	2,471	6,306	117.1	116.2
United States	4,652	2,138	543	2,682	1,773	1,027	3,428	173.5	135.7
Foreign	2,676	3,133	444	3,576	746	1,444	2,878	74.8	93.0
10-company, total	85,965	50,812	11,495	62,307	36,064	23,743	74,626	138.0	115.2
United States	53,342	27,654	6,549	34,204	24,024	12,875	45,351	156.0	117.6
Foreign	32,623	23,158	4,946	28,103	12,040	10,868	29,275	116.1	111.4

¹ Dividends are allocated between U.S. and foreign income on substantially the same basis as income is allocated between U.S. and foreign operations.

² Data for petroleum operations only.

³ Net of tax benefit.

⁴ Data other than net income is for company and majority owned subsidiaries only.

⁵ 8-yr total, 1968-75.

⁶ Includes Puerto Rico.

⁷ Includes Puerto Rico after 1973.

⁸ 5-yr total, 1971-75.

⁹ Adjusted cash flow represents the amount available for capital expenditures and the additional working capital associated with such capital expansion.

¹⁰ 1976 data is for Mobil Oil Corporation, a subsidiary of Mobil Corporation.

¹¹ Figures do not reflect restatement in 1975 to satisfy FASB Nos. 5, 8, 9, and 11.

Note: Cash flow must cover not only capital expenditures, but also the working capital needs.

Source: Responses from the 10 oil companies listed above to a questionnaire from the Senate Finance Committee. The question was stated "What is the total of exploration expense and capital investment in petroleum assets, in dollars, year by year? What is the ratio between your total cash income (generated by earnings, depreciation, depletion allowance, etc.) and your total investment in petroleum assets, including exploration expense?"

TABLE 7.—RATES OF PROFITABILITY OF SALES FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970, AND 1967

Company	Rate of profitability of sales			Sales			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
Exxon: ^{1 2}									
1976.....	5.0	9.5	3.5	48,110	12,793	34,317	2,426	1,216	1,210
1975.....	5.1	9.4	3.6	44,964	11,726	33,238	2,308	1,107	1,201
1974 ¹¹	6.0	9.5	4.8	42,087	10,761	31,326	2,531	1,021	1,510
1973.....	8.6	11.4	7.5	26,750	7,265	19,485	2,300	830	1,470
1970.....	7.1	10.7	5.5	17,842	5,491	12,351	1,267	587	680
1967.....	7.9	11.5	6.3	14,165	4,378	9,787	1,119	504	615
Gulf: ³									
1976.....	4.5	5.4	3.8	18,117	8,100	10,017	816	440	376
1975.....	4.4	6.6	2.3	15,838	7,230	8,608	700	478	222
1974.....	5.9	5.5	6.2	17,952	7,280	10,672	1,065	401	664
1973.....	8.1	4.9	11.0	9,836	4,619	5,217	800	226	574
1970.....	8.3	9.3	7.0	6,597	3,881	2,716	550	359	191
1967.....	11.3	NA	NA	5,110	NA	NA	578	412	166
Mobil: ³									
1976 ¹⁴	4.0	8.1	2.3	23,351	7,007	16,344	937	567	370
1975.....	3.9	4.8	3.5	20,842	6,400	14,442	810	306	504
1974.....	5.5	6.0	5.2	19,136	6,114	13,022	1,047	366	681
1973.....	7.4	7.0	7.6	11,526	3,930	7,596	849	275	574
1970.....	6.6	8.2	5.4	7,369	3,024	4,345	483	247	236
1967.....	6.5	8.3	5.2	5,899	2,518	3,381	385	210	175
Phillips: ^{4 5}									
1976.....	5.3	5.6	4.4	4,932	3,981	951	298	220	78
1975.....	4.9	4.8	5.5	4,529	3,579	950	254	174	80
1974.....	4.9	5.2	4.0	4,234	3,126	1,108	233	162	71

1973.....	5.8	5.1	9.0	2,270	1,861	409	152	96	56
1970.....	6.3	6.6	3.1	1,772	1,618	154	124	110	14
1967.....	8.9	8.9	9.1	1,646	1,534	112	155	141	14
Shell: ³									
1976.....	7.6	7.7	.....	9,309	9,304	5	706	719	(13)
1975.....	6.3	6.6	.....	8,224	8,204	20	515	541	(26)
1974.....	8.0	8.6	.....	7,708	7,696	12	621	666	(45)
1973.....	6.7	7.5	.....	4,932	4,932	.....	333	370	(37)
1970.....	6.6	6.9	.....	3,621	3,621	.....	237	249	(12)
1967.....	9.2	9.0	36.7	3,088	2,059	29	285	274	11
Standard of California: ³									
1976.....	4.4	5.6	3.5	* 20,181	8,247	11,934	880	461	419
1975.....	4.6	3.7	5.2	* 16,821	6,472	10,349	773	240	533
1974.....	5.6	6.0	5.0	* 17,191	5,478	11,713	970	327	643
1973.....	10.9	5.2	15.6	* 7,762	3,538	4,224	844	184	660
1970.....	10.4	7.2	15.3	* 4,386	2,679	1,707	455	194	261
1967.....	11.8	8.0	20.3	* 3,467	2,391	1,076	409	191	218
Standard of Indiana: ⁴									
1976.....	8.0	8.3	7.0	11,227	8,467	2,760	894	700	194
1975.....	7.6	6.9	10.4	9,951	7,909	2,042	761	549	212
1974 ¹²	9.7	9.0	12.4	9,063	7,097	1,966	873	638	235
1973.....	8.2	8.2	8.3	5,697	4,663	1,033	466	381	86
1970.....	7.6	7.0	11.2	4,216	3,666	550	320	258	62
1967.....	7.8	8.5	1.2	3,376	3,083	293	264	261	3
Standard of Ohio: ⁴									
1976.....	3.1	3.2	.....	2,470	2,400	70	76	76	.....
1975.....	2.3	2.3	3.5	2,089	2,004	85	49	46	3
1974.....	3.9	3.6	10.7	1,840	1,754	86	72	63	9
1973.....	4.3	3.8	16.9	1,225	1,181	44	52	45	7
1970.....	5.9	5.8	10.7	1,071	1,046	25	63	60	3
1967.....	11.8	11.6	14.6	533	492	41	63	57	6

See footnotes at end of table.

TABLE 7.—RATES OF PROFITABILITY OF SALES FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970, AND 1967—Continued

Company	Rate of profitability of sales			Sales			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
Sun Co.:^{4 7}									
1976.....	6.8	9.1	0.7	5,368	3,882	1,486	364	354	10
1975.....	4.9	6.6	Loss	4,377	3,627	750	216	240	(24)
1974.....	9.9	8.8	16.3	3,771	3,192	579	375	280	95
1973.....	10.2	7.7	23.9	2,201	1,860	341	225	144	81
1970.....	8.2	8.9	2.4	1,686	1,503	183	138	134	4
1967 ⁹									
Texaco:^{3 8}									
1976.....	3.3	6.0	1.9	26,242	8,809	17,433	870	532	338
1975.....	3.4	4.9	2.5	24,331	9,209	15,122	831	449	382
1974.....	6.7	5.7	7.2	23,056	7,612	15,444	1,545	432	1,113
1973.....	11.1	10.1	11.6	11,248	4,304	6,944	1,243	434	809
1970.....	12.2	14.1	10.3	6,239	3,092	3,147	760	436	324
1967.....	13.7	17.9	9.3	5,164	2,651	2,513	709	475	234
10-company summary¹²									
1976.....	4.8	7.2	3.1	169,307	72,990	95,317	8,267	5,285	2,982
1975.....	4.7	6.2	3.6	151,966	66,360	85,606	7,217	4,130	3,087
1974.....	6.4	7.2	5.8	146,038	60,110	85,928	9,332	4,356	4,976
1973.....	8.7	7.8	9.5	83,403	38,153	45,249	7,264	2,985	4,280
1970.....	8.0	8.9	7.0	54,774	29,621	25,153	4,397	2,634	1,763
1967 ¹⁰	9.1	10.5	7.4 ¹⁰	37,338	20,106	17,232	3,967	2,525	1,442

¹ U.S. net income and sales data are for petroleum and natural gas operations only.

² Foreign net income and sales data are for petroleum and natural gas operations only for 1973, 1974, and 1975 and for all Exxon foreign operations for 1970 and 1967.

³ Net income and sales figures are total corporate figures.

⁴ Net income and sales figures are for petroleum operations only.

⁵ Net income used for calculation of profitability rate excludes the company's portion of the earnings of companies accounted for by the equity method since the sales of such companies are not included in the company's financial statements.

⁶ Company and majority-owned subsidiaries only.

⁷ Foreign data includes Puerto Rico prior to 1974.

⁸ Sales revenue excludes gross income from services; equity in net income of nonsubsidiary companies; dividends interest, and other net income, whereas net income is applicable to all sources.

⁹ No data was provided by Sun Oil for years prior to 1968.

¹⁰ Since U.S. and foreign breakdowns of Gulf's sales data are not available prior to 1968, Gulf has not been included in the 10-company total sales column for 1967, in order that the total U.S. and foreign rates of profitability of sales will be comparable.

¹¹ Revised 1974 income and sales figures to accord with FASB 1975 new accounting standards.

¹² Revised 1974 income figures to accord with FASB 1975 new accounting standards.

¹³ Rates of profitability of sales are weighted averages based on 10-company totals.

¹⁴ 1976 data is for Mobil Oil Corp., a subsidiary of Mobil Corporation.

NA—Not available.

Note: Data for this table have been supplied by 10 major oil companies in response to a questionnaire from the Senate Finance Committee, asking for rates of profitability of sales, of taxes, other than excise taxes, and of total investment, including borrowed capital. 5 of the companies reported this information for petroleum operations only, while 5 reported total corporate operations. (See headnote to table 1 for explanation of these differences.)

Source: Responses from 10 major oil companies to a questionnaire from the Senate Finance Committee. The question was stated: "What is the rate of profitability to sales? To taxes, other than excise taxes? to total investment, including borrowed capital?"

TABLE 8.—RATES OF PROFITABILITY OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970, AND 1967

	Rate of profitability of employed capital ²			Employed capital ¹			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
Exxon: ^{3 4}									
1976.....	14.8	19.4	12.0	16,369	6,265	10,104	2,426	1,216	1,210
1975.....	16.0	18.1	14.6	16,142	6,192	9,950	2,308	1,107	1,201
1974 ^{17 18}	18.6	20.5	17.6	14,732	5,044	9,688	2,531	1,021	1,510
1973.....	18.4	17.2	19.1	13,779	4,877	8,902	2,300	830	1,470
1970.....	11.1	12.5	10.3	12,765	4,754	8,011	1,267	587	680
1967.....	11.7	13.1	10.9	10,285	3,861	6,424	1,119	504	615
Gulf: ⁵									
1976.....	10.4	9.5	11.5	9,258	5,177	4,081	816	440	376
1975.....	9.6	10.7	8.1	8,687	4,671	4,016	700	478	222
1974.....	14.6	9.8	20.2	8,439	4,871	3,568	1,065	401	664
1973.....	11.7	6.3	17.5	7,670	3,885	3,785	800	226	574
1970.....	8.7	9.8	7.4	7,397	3,991	3,406	550	359	191
1967.....	11.4	(¹⁰)	(¹⁰)	5,452	3,306	2,146	578	412	166
Mobil: ⁵									
1976 ⁷	11.7	13.7	9.7	¹¹ 8,803	4,329	4,474	937	567	370
1975.....	10.8	7.4	14.9	¹¹ 8,421	4,568	3,853	810	306	504
1974.....	14.7	9.3	21.6	¹¹ 7,484	4,168	3,316	47	366	681
1973.....	13.8	8.8	19.3	10,690	4,894	5,797	849	275	574
1970.....	9.8	9.0	10.8	7,921	4,105	3,816	483	247	236
1967.....	9.4	8.8	10.4	6,224	3,346	2,878	385	210	175

Phillips: ^a									
1976.....	11.1	13.8	6.4	2,469	1,570	899	298	220	78
1975.....	11.8	11.8	11.8	2,266	1,506	760	254	174	80
1974.....	2.6	12.8	12.3	1,977	1,317	660	233	162	71
1973.....	9.4	8.6	11.2	1,860	1,295	565	152	96	56
1970.....	8.1	9.0	4.8	1,791	1,412	379	124	110	14
1967.....	10.4	11.1	6.4	1,668	1,404	265	155	141	14
Shell: ^a									
1976.....	14.6	15.4	(²⁶)	^a 5,113	4,947	166	706	719	(13)
1975.....	12.2	13.0	(²⁶)	^a 4,536	4,441	95	515	541	(26)
1974.....	16.0	17.3	(²⁶)	^a 4,096	4,055	41	621	666	(45)
1973.....	9.2	10.2	(³³)	^a 3,951	3,946	4	333	370	(37)
1970.....	7.7	8.0	(²⁶)	^a 3,379	3,378	1	237	249	(12)
1967.....	12.3	11.8	(²⁶)	^a 2,451	2,450	1	285	274	11
Standard of California: ^b									
1976.....	11.0	9.9	12.3	^a 8,678	5,162	3,516	880	461	419
1975.....	10.9	6.0	18.3	^a 7,832	4,666	3,166	773	240	533
1974.....	14.0	8.0	23.3	^a 7,067	4,254	2,813	970	327	643
1973.....	13.5	5.2	26.7	^a 6,870	4,126	2,744	844	184	660
1970.....	9.2	5.8	16.2	^a 5,392	3,570	1,822	455	194	261
1967.....	9.9	6.5	18.5	^a 4,530	3,267	1,263	409	191	218
Standard of Indiana: ^c									
1976.....	12.8	13.5	10.8	7,481	5,447	2,034	894	700	194
1975.....	12.0	11.8	12.8	6,829	4,988	1,841	761	549	212
1974 ¹⁸	15.7	14.8	16.5	6,163	4,498	1,665	873	638	235
1973.....	10.1	11.8	6.2	4,967	3,401	1,566	466	381	86
1970.....	8.4	9.0	6.6	4,056	3,049	1,007	320	258	62
1967.....	8.4	10.4	.7	3,296	2,615	682	264	261	3

See footnotes at end of table.

TABLE 8.—RATES OF PROFITABILITY OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970, AND 1967—Continued

	Rate of profitability of employed capital ²			Employed capital ¹			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
Standard Oil of Ohio: ⁶									
1976.....	1.7	1.7	(²⁰)	¹¹ 4,413	4,413	(¹⁶)	76	76	.....
1975.....	1.8	1.7	(²⁰)	¹¹ 2,726	2,726	(¹⁶)	49	46	3
1974.....	4.3	4.3	(²⁰)	¹¹ 1,715	1,715	(¹⁶)	72	63	9
1973.....	5.1	5.1	(²⁰)	¹¹ 1,419	1,419	(¹⁶)	52	45	7
1970.....	5.7	5.5	(²⁰)	¹¹ 1,188	1,177	11	63	60	3
1967.....	14.5	13.6	(²⁰)	¹¹ 466	443	23	63	57	6
Sun Co.: ^{6 13}									
1976.....	11.1	13.2	2.6	¹² 3,539	2,834	705	364	354	10
1975.....	7.3	9.6	(²¹)	¹² 3,314	2,673	641	216	240	(24)
1974.....	12.9	12.2	15.6	¹² 3,089	2,440	649	375	280	95
1973.....	9.1	8.1	11.8	¹² 2,735	2,023	712	225	144	81
1970.....	6.7	8.4	1.6	¹² 2,299	1,721	578	138	134	4
1967 ¹⁵									
Texaco: ⁵									
1976.....	8.4	9.8	6.8	¹¹ 11,374	6,042	5,332	870	532	338
1975.....	8.4	8.1	8.7	¹¹ 10,774	5,893	4,881	831	449	382
1974.....	16.1	8.7	24.2	¹¹ 9,952	5,214	4,738	1,545	432	1,113
1973.....	14.2	9.7	18.7	¹¹ 8,771	4,456	4,315	1,243	434	809
1970.....	11.1	11.0	11.2	¹¹ 6,850	3,961	2,889	760	436	324
1967.....	12.6	14.4	10.1	¹¹ 5,617	3,287	2,330	709	475	234

10-company summary:¹⁹

1976.....	11.8	13.1	9.9	77,497	46,186	31,311	8,267	5,285	2,982
1975.....	11.0	10.7	12.7	71,527	42,324	29,203	7,217	4,130	3,087
1974.....	13.9	11.8	18.9	64,714	37,576	27,138	9,332	4,356	4,976
1973.....	11.5	9.1	16.3	62,712	34,322	28,390	7,264	2,985	4,280
1970.....	8.7	8.8	8.2	53,038	31,118	21,920	4,397	2,634	1,763
1967.....	11.2	11.2	9.4	39,989	23,979	16,010	3,967	2,525	1,442

¹ Employed capital is the sum of stockholder's equity and long-term debt.

² Rate of profitability or return on capital employed is based on adjusted income as a percentage of employed capital. Adjusted income is the sum of net income and interest on long-term debt, less an amount equal to what would have been the additional tax if such interest were not deductible.

³ U.S. net income and capital employed data are for petroleum and natural gas operations only.

⁴ Foreign net income and capital employed data are for petroleum and natural gas operations only for 1973, 1974, and 1975, and for all Exxon foreign operations for 1970 and 1967.

⁵ Net income and employed capital figures are total corporate figures.

⁶ Net income and employed capital figures are for petroleum operations only.

⁷ 1976 data is for Mobil Oil Corporation, a subsidiary of Mobil Corporation.

⁸ Employed capital shown is beginning of the year balance of shareholders' investment and long-term debt.

⁹ Company and majority-owned subsidiaries only.

¹⁰ Not available.

¹¹ Average borrowed and invested capital.

¹² Defined as total assets less current liabilities.

¹³ Foreign data includes Puerto Rico prior to 1974.

¹⁴ Net loss.

¹⁵ No data was provided by Sun Oil for years prior to 1968.

¹⁶ Subsequent to the sale of all Canadian assets in 1972, the capital employed consists of an insignificant amount related to Standard of Ohio's five-twelfths of 1 percent interest in the Iranian oil consortium.

¹⁷ Revised 1974 income figures to accord with FASB 1975 new accounting standards.

¹⁸ Revised 1974 income and employed capital figures to accord with FASB 1975 new accounting standards.

¹⁹ Rate of profitability for the 10 companies is a mathematical average of individual companies' respective rates, rather than a weighted average. Companies with nominal rates are excluded to avoid distortion of the average.

²⁰ Foreign operations are, or were, insignificant, i.e., less than 5 percent of net assets.

Note: Data for this table have been supplied by 10 major oil companies in response to a questionnaire from the Senate Finance Committee, asking for rates of profitability of sales, of taxes, other than excise taxes, and of total investment, including borrowed capital. 5 of the companies reported this information for petroleum operations only, while 5 reported total corporate operations. (See headnote to table 1 for explanation of these differences.)

In addition, in determining the rates of profitability of employed capital, the companies based their rates on adjusted net income to include the interest on borrowed capital. Since the adjusted net income figures used for these calculations are not given, it was not possible to determine the rates of profitability of employed capital for the 10-company total.

Source: Responses from 10 major oil companies to a questionnaire from the Senate Finance Committee. The question was stated "What is the rate of profitability to sales? To taxes, other than excise taxes? To total investment, including borrowed capital?"

TABLE 9.—EFFECTIVE TAX RATES FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970,
AND 1967

[Based on taxes (other than excise) paid to Federal, State, local, and foreign governments]

Company	Effective tax rate ¹			Taxes			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
Exxon: ^{2 3}									
1976.....	80.9	49.6	88.2	10,284	1,198	9,086	2,426	1,216	1,210
1975.....	81.0	50.1	90.2	12,121	1,113	11,008	2,308	1,107	1,201
1974 ¹²	82.4	44.5	88.0	11,863	817	11,046	2,531	1,021	1,510
1973.....	78.1	42.3	83.7	8,180	608	7,572	2,300	830	1,470
1970.....	77.8	43.7	85.4	4,447	460	3,987	1,267	587	680
1967.....	76.5	39.3	84.4	3,642	326	3,316	1,119	504	615
Gulf: ⁴									
1976.....	69.1	48.8	78.9	1,823	419	1,404	816	440	376
1975.....	79.1	46.7	91.0	2,656	418	2,238	700	478	222
1974.....	75.2	40.5	81.7	3,229	273	2,956	1,065	401	664
1973.....	67.2	41.0	72.1	1,641	157	1,484	800	226	574
1970.....	55.5	31.6	73.2	687	166	521	550	359	191
1967.....	47.5	29.6	67.9	524	173	351	578	412	166
Mobil: ⁴									
1976 ¹³	76.1	42.3	87.4	2,984	416	2,568	937	567	370
1975.....	76.4	40.7	82.7	2,625	210	2,415	810	306	504
1974.....	73.9	42.6	79.8	2,961	272	2,689	1,047	366	681
1973.....	62.4	41.5	67.9	1,409	195	1,214	849	275	574
1970.....	57.1	44.1	65.5	639	195	444	483	247	236
1967.....	49.6	39.7	57.8	379	138	240	385	210	175

Phillips: ⁵									
1976.....	71.0	51.6	90.7	645	236	409	298	220	78
1975.....	65.2	51.4	82.0	421	181	240	254	174	80
1974.....	60.8	46.9	80.3	324	142	182	233	162	71
1973.....	44.5	50.0	.....	122	97	24	152	96	56
1970.....	46.8	50.5	.....	109	112	(3)	124	110	14
1967.....	41.9	45.1	.....	112	116	(3)	155	141	14
Shell: ⁴									
1976.....	52.5	52.3	.....	780	789	(9)	706	719	(13)
1975.....	57.8	58.1	.....	706	750	(44)	515	541	(26)
1974.....	43.6	44.1	49.8	480	525	(45)	621	666	(45)
1973.....	43.6	44.0	.....	257	291	(34)	333	370	(37)
1970.....	46.0	46.1	.....	202	213	(12)	237	249	(12)
1967.....	36.1	35.8	.....	161	155	8	285	274	11
Standard of California: ⁴									
1976.....	62.7	46.4	72.0	7 1,479	399	1,080	880	461	419
1975.....	68.2	61.2	70.5	7 1,655	378	1,277	773	240	533
1974.....	61.7	44.1	67.2	7 1,573	258	1,315	970	327	643
1973.....	59.2	49.2	61.4	7 1,221	178	1,048	844	184	660
1970.....	60.5	44.6	67.4	7 696	156	540	455	194	261
1967.....	48.4	36.5	55.6	7 383	110	273	409	191	218
Standard of Indiana: ⁵									
1976.....	65.7	52.5	82.9	1,711	774	937	894	700	194
1975.....	69.3	61.6	79.7	1,714	880	834	761	549	212
1974 ¹⁸	54.3	46.5	67.3	1,038	554	484	873	638	235
1973.....	46.6	41.6	61.3	408	272	136	466	381	86
1970.....	41.1	48.1	4.8	243	240	3	320	258	62
1967.....	40.9	40.6	57.7	183	178	5	264	261	3

See footnotes at end of table.

TABLE 9.—EFFECTIVE TAX RATES FOR 10 MAJOR OIL COMPANIES, 1976, 1975, 1974, 1973, 1970, AND 1967—Continued

[Based on taxes (other than excise) paid to Federal, State, local, and foreign governments]

Company	Effective tax rate ¹			Taxes			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
Standard of Ohio: ⁵									
1976.....	51.3	42.0	97.7	80	55	25	76	76	.....
1975.....	47.9	27.0	90.3	45	17	28	49	46	3
1974.....	47.4	29.2	91.2	51	26	25	72	63	9
1973.....	50.1	48.5	58.8	52	42	10	52	45	7
1970.....	29.2	26.6	60.3	26	22	4	63	60	3
1967.....	43.8	43.0	50.2	49	43	6	63	57	6
Sun Co.: ^{6, 7}									
1976.....	59.6	52.0	93.9	537	383	154	364	354	10
1975.....	73.1	63.4	.....	727	416	311	216	240	(24)
1974.....	62.3	48.4	79.1	620	263	357	375	280	95
1973.....	54.1	50.5	59.2	265	146	119	225	144	81
1970.....	57.0	48.3	93.0	183	125	58	138	134	4
1967 ¹¹	NA	NA	NA	.....	.....	.....	.....	.....	.....
Texaco: ⁸									
1976.....	74.4	52.9	85.1	2,534	596	1,938	870	532	338
1975.....	77.1	61.9	84.4	2,799	730	2,069	831	449	382
1974.....	64.0	47.0	68.0	2,743	382	2,361	1,545	432	1,113
1973.....	59.6	42.2	65.2	1,835	317	1,518	1,243	434	809
1970.....	59.3	39.3	71.8	1,108	282	826	760	436	324
1967.....	53.8	29.7	72.8	826	200	626	709	475	234

10-company summary:¹⁰

1976.....	73.4	49.9	85.5	22,857	5,265	17,592	8,267	5,285	2,982
1975.....	77.9	55.2	86.8	25,469	5,093	20,376	7,217	4,130	3,087
1974.....	72.7	44.6	81.1	24,882	3,512	21,370	9,332	4,356	4,976
1973.....	67.9	43.6	75.4	15,390	2,303	13,091	7,264	2,985	4,280
1970.....	65.5	42.8	78.3	8,340	1,971	6,368	4,397	2,634	1,763
1967.....	61.2	36.3	77.0	6,259	1,437	4,822	3,967	2,525	1,442

¹ The effective tax rate for purposes of this table is the ratio of taxes to the sum of net income and taxes (other than excises) paid or accrued to Federal, State, local, and foreign governments.

² U.S. net income and taxes data are for petroleum and natural gas operations only.

³ Foreign net income and taxes data are for petroleum and natural gas operations only for 1973, 1974, and 1975 and for all Exxon foreign operations for 1970 and 1967.

⁴ Net income and taxes figures are total corporate figures.

⁵ Net income and taxes figures are for petroleum operations only.

⁶ U.S. taxes exclude that portion of U.S. taxes incurred in foreign operations for the years 1970 and 1973. These amounts are shown as foreign taxes.

⁷ Company and majority-owned subsidiaries only.

⁸ Excludes interest in taxes of nonsubsidiary companies.

⁹ Foreign data includes Puerto Rico prior to 1974.

¹⁰ Rates of profitability of taxes are weighted averages based on 10-company totals.

¹¹ No data was provided by Sun Oil for years prior to 1968.

¹² Revised 1974 income and taxes figures to accord with FASB 1975 new accounting standards.

¹³ 1976 data is for Mobil Oil Corporation, a subsidiary of Mobil Corporation.

NA—Not available.

Note: Data for this table have been supplied by 10 major oil companies in response to a questionnaire from the Senate Finance Committee, asking for rates of profitability of sales, of taxes other than excise taxes, and of total investment, including borrowed capital. 5 of the companies reported this information for petroleum operations only while 5 reported total corporate operations. (See headnote to table 1 for explanation of these differences.)

Source: Responses from 10 major oil companies to a questionnaire from the Senate Finance Committee. The question was stated "What is the rate of profitability to sales? To taxes, other than excise taxes? To total investment, including borrowed capital?"

TABLE 10.—ANNUAL RATES OF RETURN ON STOCKHOLDERS' EQUITY FOR ALL MANUFACTURING, DURABLE MANUFACTURING, AND NONDURABLE MANUFACTURING COMPARED TO PETROLEUM

	First quarter 1977	1976	1975	1974	1973	1972	1971	1970	1969	1968
All manufacturing corporations..	13.0	14.0	11.6	14.9	12.8	10.6	9.7	9.3	11.5	12.1
Durable manufacturing corpora- tions.....	13.0	13.7	10.2	12.6	13.1	10.7	9.1	8.4	11.4	12.2
Nondurable manufacturing cor- porations ¹	13.0	14.2	12.9	17.2	12.6	10.5	10.3	10.3	11.5	11.9
Petroleum and coal products ² ...	13.9	14.1	12.5	21.0	11.6	8.7	10.3	11.0	11.7	12.2
10-company data:										
Total.....	13.2	13.6	12.7	18.6	15.8	11.1	11.6	11.6	11.7	12.8
United States.....	13.5	15.5	12.9	15.2	11.6	10.8	10.8	11.0	11.6	13.1
Foreign.....	12.6	11.1	12.6	23.0	21.1	11.7	12.7	11.8	11.7	12.2

¹ Petroleum and coal products are included in the nondurable manufacturing classification. Other industries classified as non-durable manufacturing by the Federal Trade Commission are (a) food and kindred products; (b) tobacco manufactures; (c) textile mill products; (d) paper and allied products; (e) printing and publishing; (f) chemicals and allied products; and (g) rubber and miscellaneous plastics products.

² The quarterly financial report classification prior to 1974 was "Petroleum Refining and Related Industries." In addition to this

change, an important change was made in 1974 as to the reporting of foreign subsidiary income on a nonconsolidated basis.

Source: 10-company data is derived from table 1 of this analysis, i.e., based on actual company figures, not sampling. The remaining figures are derived from table 4 of the Quarterly Financial Report for Manufacturing, Mining and Trade Corporations published by the Federal Trade Commission. The annual rates of return are arithmetical averages of returns for 4 quarters of the respective years.