opinion

Nation needs public control of oil industry

America's politicians seem intent on applying a variety of Band-aids to the socioeconomic wounds created by a now-chronic oil shortage.

Price deregulation, gas rationing, windfall-profits tax, mandatory reinvestment of profits in refining facilities represent an ad hoc response to the symptoms of our oil malaise.

None of these treatments alone appears likely to staunch the flow of petroleum products soaked up by American consumers or rationalize these products' manufacture and distribution. The possibility of an effective combination of these and other remedies being approved under the present system of decision-making remains remote.

For instance, President Carter's rather timid gas-rationing plan has gotten legislatively weakened to the point of inutility; passage of his bill to skim off profits from deregulated fuel prices remains problematical.

Major surgery is required to cure America's oil ills and both citizens and leaders need to prepare themselves for the operation. The alternative is to wait as matters get worse, to keep paying more and using more oil products until exhaustion of resources brings economic collapse or differences in access to supplies (created by degrees of affluence) tears holes in the American social fabric.

Part of the present problem lies in our energy habits, but the inequity of it can be traced to the private and oliogopolistic control of the drilling, transporting, refining and marketing of this critical resource.

Capitalism, in order to operate successfully, demands — among other things — profitability. A corollary to this element is that greater rates of profit denote greater business success.

Despite what apologists for "enlightened" (national or multinational) corporate elements pretend or traditional Keynesian, state-stimulated economics can provide, private profits inevitably rank higher than public benefit in capitalist decision-making.

For products that represent dispensable luxuries (as most consumer goods in this country are despite their common elevation into "necessities"), this situation may remain tolerable. The nation wouldn't fall if it lacked enough diamonds, dune buggies or color TVs for everyone, or if not everyone could afford these things.

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With these items, the profit mechanism may actually serve to stimulate productivity and income while creating only the lesser evils of waste, invidious competition and materialism. Western culture has survived these qualities for years and, especially given the robust adaptability of American business and society, could probably limp along for considerable years before collapse.

But when the profit motive is applied to production and marketing decisions for a critical resource in times of scarcity, unjust and potentially disastrous conditions arise that could and should be avoided. This situation has developed in the matter of oil.

During the years when oil was plentiful and the oil-producing and -exporting nations lacked the political cohesion they now have, the petroleum companies feared a fluctuation in prices that could have devastated corporate planning and endangered profits. So, they lobbied for the maintenance of artificially high prices through government intervention.

The abandonment of the principle of the free market was justified on the basis of a larger benefit: the assurance of a steady supply of oil products.

Now that an apparently permanent oil scarcity has arrived, these companies want to return to a reliance on market mechanisms to determine prices (and ensure high profits). They insist that only deregulation will make investment of profits in new production facilities preferable to non-oil enterprises such as real estate and commercial developments.

But again larger goals require the abandonment of the "free-market" principle and, it seems to us, a simultaneous relinquishing of private control over the industry. These goals include the continued assurance of a steady supply, refining and distribution of oil and its just allocation among individual consumers.

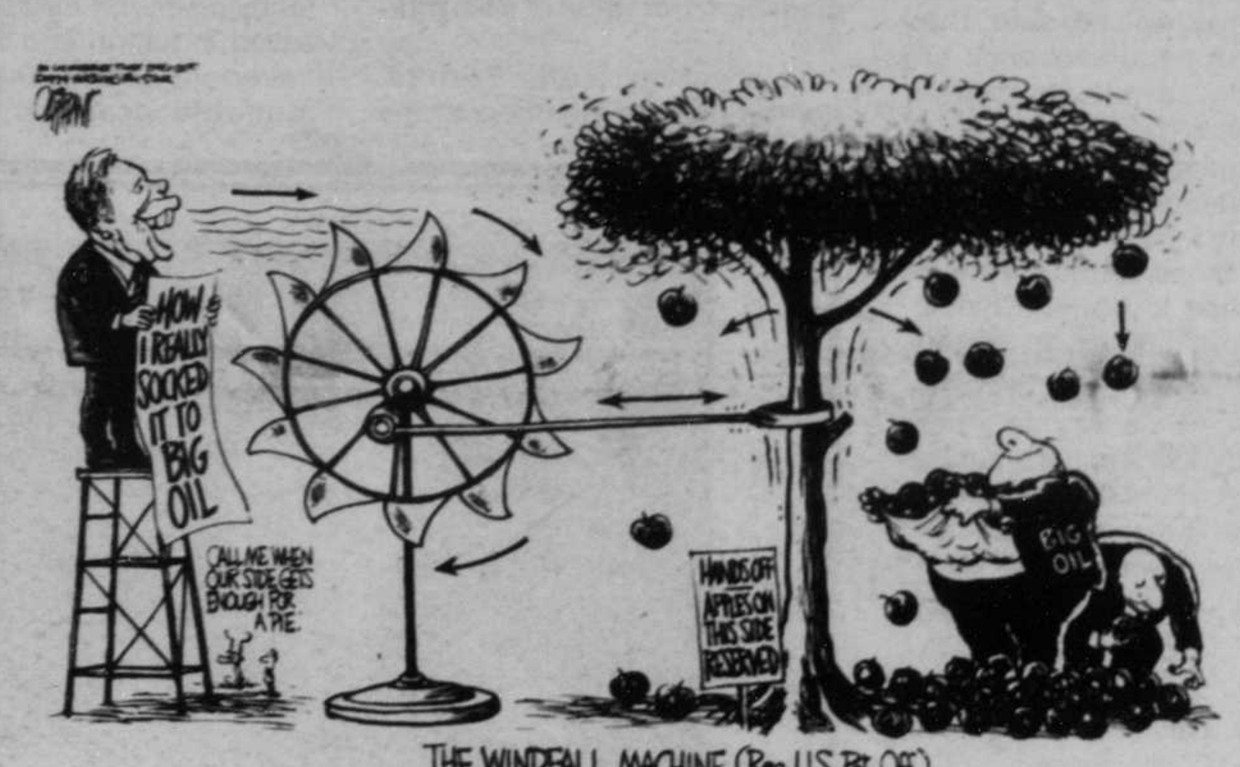
The many things that have to be done to keep this country running cannot be successfully addressed by the scattershot combination of private control and intermittent governmental intervention.

Americans need to accept the energy and transportation needs of this country as *national, public* interests equal to that, say, of defense. Just as we would not farm out our vigilance against military aggression to warlords, neither should we leave in the hands of the oil barons our ability to heat our homes or transport ourselves and our nation's products.

We need to view in a whole, integrated fashion the configuration of oil-related problems in this country and deal with them accordingly.

Certainly this would require a public planning agency with sweeping powers in the area of oil production, refining and distribution. It would require public control of the organizations involved in these operations. That control may be obtained through governmental purchase of stock, placement of public officers on boards of directors, outright nationalization or comprehensive legislation.

Only by a greater public involvement in which elected officials and not investors' dividends or consumers' dollars represent the determining forces can an equitable solution to our petro-problems be found.



THE WINDFALL MACHINE (Reg. U.S. Pat. Off.)

yours

'Keep out of cars'

U.S. removal of our 600-million-year-old geologic "stash" has peaked by now and we are importing 50 percent of the oil we consume. U.S. economic power and resource "head-start" has allowed the United States access to 30 percent of the world's oil.

Since 1973 the countries of Western Europe and Japan have decreased or stabilized levels of oil consumption while we have increased demand by 8 percent.

In 1974 Henry Kissinger introduced us to our government's willingness to intervene militarily in the Middle East to maintain a vital flow of oil. Five years later the Department of Defense is echoing these same sentiments and Congress is considering several measures to reinstitute the draft.

Although we face the possibility of killing over oil, reducing our consumption has not been a national priority. How can we protect ourselves from another Tonkin Gulf "incident?"

Department of Energy Secretary James Schlesinger has gone so far as to say "the industrialized world will face an economic, social and labor crisis as bad as the Great Depression of the 1930s if it does not reduce its oil consumption immediately." (UPI May 23, 1979)

Because the automobile is responsible for 56 percent of gas consumption and personal mobility can be provided in numerous less resource-intensive ways, it would seem logical to discourage its use. Strange, then, that Carter should propose a gas-rationing plan that encourages a family to have multiple cars by allocating gas on the basis of registered vehicles up to three per family. Pres. Ford had the decency to propose allocating gas to licensed drivers and allow people to sell unused coupons on the open market.

Are automobiles really all that indispensable? Not counting the cost of fighting a war over oil, Herbert Hollomon, provost of MIT, has calculated the total social and ecological costs of operating a car at $1 a mile and that was in 1971!

This American folly (we use nearly half the cars in the world) is a severe case of subsidization and poorly ascertained costs. Keeping out of cars is probably the most effective way anyone can work for a saner world.

I recommend "Living in the Environment: Concepts, Problems and Alternatives," by G. Tyler Miller and Enrichment Study 17 specifically.

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'Drop Chile'

The Chilean Supreme Court's ruling against the extradition of General Manuel Contreras, ex-director of the secret police DINA, to stand trial in the United States for planning the 1976 assassination of Orlando Letelier, a former Chilean Defense Minister, represents a diplomatic insult to the United States. A U.S. court has established that Contreras played a decisive role in organizing the assassination, which also claimed the life of an American, Ronni Moffitt, on Sept. 21, 1976.

It is expected that General Contreras could tell investigators whether he acted upon higher orders, possibly those of President Pinochet himself. Since Chile's courts have no independence from government intimidation and control, the ruling is a message from Santiago to Washington that the military government of Pinochet will not cooperate.

If the Chilean government can send its secret agents to our country to kill refugees our government has granted asylum, as the courts have determined it did in sending agent Michael Townley to arrange Letelier's death, then its refusal to bear the legal consequences of its terrorism must not be accepted as the action of a friendly country.

The assassination was a breach of U.S. sovereignty which shocked the world. Now the efforts of the Justice Department to investigate the ultimate responsibility for the crime have been blocked.

The appropriate action for the U.S. government, in the face of this intransigence, is the withdrawal of our ambassador from Chile and the breaking of diplomatic relations with Chile's current government. Unless the United States is prepared to stand behind its principles in this case, it cannot hope to protect its sovereignty and its citizens in the future, or to credibly speak about respect for human rights.

It is very urgent that we as U.S. citizens express to President Carter today that we want to break diplomatic relations with Chile and that we refuse to let our tax dollars support this government with economic aid.

Kristy Fassler
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