opinion

Moratorium serves a humanitarian purpose

The Eugene City Council should be commended for its decision to place a six-month moratorium on the conversion of apartment buildings to condominiums. In doing so, council members have correctly prioritized human needs rather than caving in to pressure from corporate landlords.

The moratorium will halt current conversion processes in two high-rise apartment buildings,

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Patterson and Willamette Towers, which are located downtown. The buildings are occupied largely by senior citizens, who oppose the change.

Before instituting the moratorium, the council took into account several important factors:

- A decrease in multiple-family building starts has added to the general shortage of rental units available in Eugene, especially for low-income individuals and families. This decrease is attributed to rising interest rates, increasing construction costs and the fact that there is more profit for an investor in selling rather than renting housing.
- This rental shortage is a reflection of an extremely low vacancy rate for all types of housing units. Such a shortage creates a landlords' market here, while forcing many renters to compete with each other for extremely limited space.
- Though conversion to condominiums would provide former renters with added tax breaks, may insure better upkeep of downtown residential property and increase city revenues, the negative effects of this conversion process would out-weigh the benefits. These negative effects include the forced displacement of many older persons and low-income renters — many of whom intended to remain where they now live for the rest of their lives — as well as an inevitable increase in rental shortages, which would affect all Eugenians.

These potentially harmful effects require further examination. The council members have made this long-range examination possible by providing themselves with six month's breathing room. From this examination should come a consistent policy for dealing with the conversion issue.

We encourage the council members to hold their ground against corporate-landlord pressure and maintain its humanitarian priorities. In this instance, they have protected the rights of Eugenians who may suffer greatly at the hands of landlords and the lawyers representing their corporate interests.

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Distorted facts

Mobil Oil's recent visit to the University to interview prospective employees provided a number of student groups the opportunity to attack everybody's favorite scapegoat: big oil. In particular, "Students for a Nuclear-free Future" distributed a leaflet making a number of erroneous and misleading statements. One statement charged that the eight largest U.S. oil companies control 64 percent of the world's known oil reserves, 60 percent of natural gas reserves and 45 percent of known uranium reserves. When asked the source of this information, the author of the leaflet referred me to the September 1979 issue of the Progressive magazine. The magazine does indeed quote those figures, but it's for domestic reserves, not the whole world. Moreover, this translates as an average share of only 8 percent of oil reserves, 7.5 percent of natural gas reserves, and 5.6 percent of uranium reserves for each of the eight very largest oil companies — hardly a monopoly.

A second statement alleges that twelve of the top 25 firms in the entire solar industry are owned by oil and aerospace corporations. The actual quote from the Progressive is, "Twelve of the top 25 solar companies are controlled by firms with annual sales greater than $1 billion, including Exxon, General Electric, General Motors, Alcoa and Grumman." Only one oil company and two areospace firms are specifically mentioned by the original article.

The leaflet goes on to contend that, "Shell Oil predicted that solar energy could contribute only six percent of U.S. energy by 2000," while "government forecasts indicate a contribution of 25 to 30 percent by 2000. This again is taken from the Progressive article which did not give a further source. Hoever, one should be aware that when the government talks about solar energy it includes hydro-electric, wind power, OTEC and biomass, in addition to photovoltaics, solar thermal energy and passive-solar heating. On Sun Day, 1978, President Carter called for an inter-agency task force to conduct a domestic policy review of solar power. The task force subsequently issued a report that summer which concluded that if the federal government adopts very aggressive programs in solar, wind, biomass and hydro-electricity, these alternative sources of energy together could provide approximately 16 percent of the nation's total energy demand by the year 2000 (source: Energy Digest 9-15-78). I was unable to check the original Shell Oil prediction, but I'll wager a ten-spot that their 6 percent figure does not include contributions from hydro-electric, wind power and biomass, but is an assessment of the probable contribution by the more "direct" solar energy technologies.

The leaflet also contains an excerpt from a recent Eugene Register-Guard article reporting the hefty third-quarter profit gains of a number of oil companies. More than anything else, these quarterly rituals of profit reporting have inflamed public opinopn against the oil companies, but the figures are rarely seen in perspective. Large increases in earnings can surely be taken as as sign that the oil business is a growth industry, but by any traditional yardstick oil company profits are not out of line with those of other U.S. industries. Looking at profits as a percentage of revenues, the oil firms' average margin was 4.5 percent in 1978, as opposed to a 5.25 percent U.S. industry average. In terms of return on invested capital, the oil firms averaged 13.2 percent in 1978, in comparison to 15 percent for all firms. In terms of earning's growth from 1977 to 1978, domestic oil companies expanded by 16.4 percent, which was marginally better than the earnings of all U.S. companies, which were 15.9 percent. On the other hand, the growth for multi-national oil companies was much less, about 1 percent, as a result of the dollar's decline and price controls in foreign markets (Time 4-16-79).

Yes, the largest oil companies are big in absolute dollars. So is the energy appetite of the U.S. In 1978, the combined after-tax profits (both domestic and overseas) of the top eight oil companies reached 9.4 billion. Compare this to the 10.6 billion budget for 1977 of the fledgling DOE in its first year and compare their relative contributions to the actual supply of energy.

In the current energy situation, constructive proposals and responsible actions are more needed than narrow denunciations. What we do not need, in particular, are fallacious facts and distorted statements cluttering the energy debate.

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Spray paint

This past weekend, I had the privilege of guiding my family on a tour of the University campus. They were very impressed with our facilities and the beauty of the overall campus. I was frankly embarassed by the defacing graffitti that has found its way onto the walls and buildings of the University.

While I may or may not agree with the sentiments expressed about the shah and the Iranian situation, I definitely do not agree with increasing the cost of tuition and incidental fees through needless defacement of our facilities with spray paint.

I totally support the First Amendment, but the U.S. Constitution does not protect those who damage private or public property and those who disregard the law in the name of defending it are subject to the law. May justice be served.

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letters policy

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