New York finds itself squeezed, this time, by an American OPEC. A coalition of energy-producing states is about to reap enormous fortunes, while energy-consuming states will pay through the nose. The point, hidden by the recent focus on the coming increases in the costs of all the main sources of energy, is that not all parts of America will be hit equally. President Carter is about to unveil to the public and send to Congress his energy policy, already heralded as his administration’s single most important item of domestic policy, one which will affect every facet of American life. While the details of the policy will not be known until Congress is through tinkering with the legislation aspects of the program and until its impact works its way through the economy, much attention is focused on its key features: the higher costs of oil, gas, and electricity to be generated in order to encourage individuals and corporations to conserve energy and rely more heavily on coal; a negative view of autos and a favorable view of mass transit; a reluctant acceptance of nuclear energy as a measure of last resort; and a long succession of increases in the energy costs in the future, rather than one big jump.

The point, though, is to repeat that these “nationwide” changes will be much harder on some parts of the nation than on others—indeed, some will swim in money all the way to the bank. Quite simply, any societal change of the magnitude of President Carter’s energy policies will mean a “reallocation” of wealth. New York is on the allotted “from” end, while quite a few other states are on the allotted “to” end. And what we are paying for is not just the oil, gas, or coal but, in effect, the tax bill of our fellow citizens who happen to reside in states which float in money all the energy resources.

Leading the group is the American Saudi Arabia—rich in oil, thinly populated—the cold deserts of Alaska. The state already has banked $900 million for the sales of oil leases in 1969. This would not go very far in New York City, but it amounts to $2,250 per Alaskan. Notice we are dealing here not with personal income generated for the citizens but moneys set aside for the state to spend on various public services or to use to replace taxes. Next, Alaska expects to collect almost 20 percent on top of the $8 or so per barrel to flow into the soon to be completed pipeline. At the estimated rate of 1.2 million barrels a day, this amounts to an annual push of nearly $700 million. This compares to $287 million, the state revenues before the oil “crisis” rained its black gold on Alaska.

Texas, Louisiana, and Oklahoma make up the other main oil sheikdoms of the American OPEC. Not only do royalties and tax revenues flood into the coffers, but the intensified oil drilling, pumping, refining, and shipping make for more jobs and more local expenditures, which in turn spur all other local businesses. True, some of this largesse trickles over into other states and regions, but the first and foremost benefits are local. Indeed, a recent study, “Southern Growth Trends and Future Growth Issues,” shows that while the rest of the country suffered a recession, the South suffered much less, and the oil-rich states within it actually prospered. They experienced rapid growth of population, income, and employment, while New York languished. For example, between June, 1975, and June, 1976, the whole Northeast added a net 7,000 new jobs, compared to 52,100 in the South.

As for the future, the American oil sheikhs will attract industry by lower local costs of gas and oil, secure uninterrupted supplies, and lower taxes. Already the energy costs in the Northeast are a staggering 97 percent above the national average. A million BTU’s of heat created by natural gas cost $1.23 in New England, compared to 33 cents in the Southwest. With oil revenues flooding in, Texas imposes no tax on personal income or corporate profits, and other taxes are comparatively low.

The American OPEC differs from the foreign one in that the states to benefit from the rising energy prices include not just those states which pump oil and gas, but also those that mine coal. Take Montana: It makes the coal it exports dearer by 30 percent by imposing a “severance” tax on it. This will yield an estimated $39-million in 1977, a hefty sum for a state which is also getting 50 percent of the royalties obtained for all coal extracted on huge federal lands in the state. With a population of only 730,000, the state faces an embarrassment of riches. Funds are flowing everywhere—school improvements, better parks, and so on. Other coal states—such as those in Appalachia—are still poverty-stricken, partly because in the past they let the corporations carry away their coal with little or no local taxes. But they, too, are catching on.

Still other states, now hit by escalat-
ing energy costs, have at least a glo-
ing future. South Carolina is touted as a leader in nuclear-power development. Florida, Arizona, and other Sunbelt states can bask in the hope of becoming major beneficiaries of the least polluting, least labor-intensive, and most nearly inexhaustible energy source: the sun.

By contrast, New York—together with New England—is stuck for the foreseeable future with high dependency on oil and gas, costliest of the energy sources. For this and other reasons, New York electricity rates are among the highest in the nation. If scarcity requires converting utility plants to coal, an expensive undertaking, New York will have to bear more of the expense than states already relying heavily on coal or those which have their own supplies of gas and oil. There simply is no equal national sharing of these bounties. Sure, New York may benefit from a few oil leases off Long Island, and it may try to recycle its garbage—even set up windmills. But by and large, our energy future is one of costs which will be higher than those paid by many states, and continued pressure from industries and individuals who will threaten to move unless we offer them this or that concession.

Those of us who wish to stick around will have to work longer for whatever we buy. Instead of paying these higher prices to the Arabs, Norwegians, Scots, and Canadians, we shall be paying them to support our fellow Americans to keep their taxes low and services high. All this, with the Arabs, put some of their riches into an inter-Arab welfare fund. Now that you can afford it, why not help us out by supporting the federalization of welfare and Medicaid, thereby reducing our burden immensely? While you’re at it, why don’t you support equal national standards for welfare payments? This way, if we must put up with your luring away our industries and middle classes, you’ll also get to keep your share of the poor.

And if you are so inclined, you could buy for all families whose income is below, say, $7,500 a year a book full of energy stamps, to be used for purchases of electricity or heating fuel. This would ensure that at the least the poor and near-poor would not be set back too badly by the new energy costs.

We could back up our requests with some political muscle by getting together with the other Northeast states, all in similar predicaments. This might entail turning the Coalition of Northeastern Governors into something more potent than a set of initials which read CONEG, roughly the present status of the group. We would be ill-advised, though, to escalate things to a point where we speak, like Business Week, of the Second War Between the States, let alone call them the “American OPEC” to their faces. Governor David Boren of Oklahoma has already warned us that this phrase gives him a “complex.” We are not exactly in a good position to aggravate the American energy-rich.

Finally, while we had better not mention our position as the nation’s financial and cultural capital lest the energy-rich seek to buy and cart away those institutions, let us just ask them how they would feel were we to charge extra for our natural resources, such as they are or may one day be? Is not the purpose of union to share and share alike?
Beckman Place to Brooklyn (and Back): A Gambler's Odyssey
By Anthony Haden-Guest
When the intrepid Mr. Haden-Guest embarked on a tour of the city's gambling establishments, he discovered that: (1) despite the two-month-old "Las Vegas Nites" law, there isn't a single legal game in New York; (2) "criminal elements" have infiltrated city gambling at every level; and (3) nobody wants to clean up the mess.

Leapin' Lizards! Has Annie Gone Pinko??
By Bob Abd

The cutie little kid with her faithful dog, Sandy, and her fabulously wealthy protector, Daddy Warbucks, is coming to the Broadway stage this week. But advance reports imply that the show's political viewpoint has moved Daddy's ultra-right-wing philosophy so far to the left that cartoonist Harold Gray is doubtless spinning clockwise in his grave. Here, then, is the strange but true-blue tale of the original Little Orphan Annie.

The Upper Crusts: A Guide to Delectable Breads
By Elin Schoen
A toast to home-baked texture, zesty flavor, exuberant crusts, and all the other delights of bread-eating. Here are 31 commendable loaves, among them several great white breads and the author's nomination for best bread in town.

DEPARTMENTS

The Capitol Letter: The American OPEC
Versus New York
By Amia Etzioni
With President Carter about to announce his energy policy, the northeastern states (New York in particular), as energy consumers rather than energy producers, are being squeezed by an American OPEC. Mr. Etzioni looks at what we can do.

The Colombo Connection at Bankers Trust
By Dan Dorfman
Dorfman got his mitts on a 1969 document linking crime boss Joe Colombo to Bankers Trust's mortgage-banking arm. Law-enforcement officials are digging into allegations that criminal forces may still be involved today.

Art: Across the River and Into P.S. 1
By Thomas B. Hess
You'll get a lift, a sense of renewed optimism from the work by young artists in the studios and galleries of P.S. 1 in Queens.

The Inevitable Critics: I Rm, No Riv Vu
By Gail Greene
The Cellar in the Sky is a room with no view in the middle of the spectacular river sweep of Windows on the World. But an intercontinental mix of six courses and five wines is a dining experience unlikely to be encountered elsewhere.

Theater: Jungle Law in a Texas Desert
By Alan Rich
Ladies at the Alamo updates the famous shoot-out from an old Texas fort to a new Texas theater. This time, the good guys win, rather entertainingly.

Records: Meditations on Infinity
By Alan Rich
Bach's church cantatas are finally becoming known, thanks to recordings. Clearly, they represent the high point in his sublime musical career.

Movies: Of Dimwits, Nitwits, and Halfwits
By John Simon
Robert Altman's films are always interesting for the way they strike out in new directions. In 3 Women, however, he merely strikes out.

Your Own Business:
If the Computer Dons You Wrong
By William Flanagan
Taking on a credit-card company over a questionable charge used to endanger your credit rating—or worse. Now the ball is in your court, thanks to the new Fair Credit Billing Act.

MISCELLANY

Letters
Page 7
Page 14: In and Around Town
Page 66: New York Intelligencer
Page 72: Best Bets, By Ellen Stern
Page 83: Travel Services
Page 85: New York Classified
Page 92: Town & Country Properties
Page 99: Sales & Bargains, By Leonore Fleischer
Page 102: London Sunday Times Crossword