

Energy Insider by William Engdahl

States' rights and the Aspen strategy

The New York Master Plan is a cautionary example of enforced conservation.

Some well-meaning conservatives I know have taken to flying the banner of "states' rights" as an alternative to the incredible federal restrictions on energy and industrial growth. This is no real solution to a serious national problem, but it is understandable how someone from Texas or Louisiana could think so. It is not the state that is right or wrong; it is the policy and economic philosophy.

Take New York State, for example. On March 20, 1980, the state legislature made into law a State Energy Master Plan which had been drawn up by the Governor's State Energy Commissioner's Office and a new five-member State Energy Planning Board. This new plan is filled with nice-sounding phrases such as "expedite and finance projects to reduce regional energy costs and increase energy supplies." Knowing New York, we took a closer look. If implemented, the plan will use energy control to collapse one of the nation's vital trade and industrial regions.

One of the architects of the plan told me that the plan is "unique" because its forecast of electricity and natural gas requirements for the state through 1994 is "binding. No other forecast can be used to decide if a power facility is needed." One little flaw: if your forecast "trend line" is taken from the period of economic stagnation and recession, you enforce a regime

which will guarantee further self-aggravating collapse of industrial growth.

The binding total for state energy growth through 1994 is proposed to be "essentially zero growth"! Instead of pursuing one of the nation's most vigorous nuclear programs, which would ensure ample supplies of cheap, safe nuclear power as a magnet to attract future industry to this world port region, the plan imposes a strategy of moratorium on new nuclear plants. It calls for reducing petroleum from 66 percent of total energy supply down to 47 percent. With the freeze on nuclear power, this means that coal is being viewed as the key. The plan calls for a massive coal conversion and addition of six new coal-fired generators, despite the fact that New York has no indigenous coal. Given current utility finances, it will simply mean closing down a number of oil-fired generators because of inability to finance retrofitting.

There is wide play in the plan of the development of "renewable" resources. This means such things as burning garbage for energy, or in one example given me by an enthusiastic state official, buying 3 billion lbs. of cheese-whey waste to make alcohol for gasohol!

Massachusetts, Pennsylvania and California all have similar models in various stages of advancement. I found that this con-

vergence stems not from a bunch of fuzzy-headed state bureaucrats but from a seminar series held by the Aspen Institute, the zero-growth think-tank financed by Robert O. Anderson of Atlantic Richfield. The basic strategy was shaped a couple of years ago in its second annual Energy R&D Priorities Workshop. That report pushes "decentralized energy production." The study was financed by ARCO and Exxon, as well as GE, Westinghouse, Rockwell International and other "high technology" firms which should know better. It is a blueprint for balkanizing the nation into separate energy enclaves which would then be at each others' throat for scarce resources.

So, before you put that bumper sticker that says "Let 'Em Freeze in the North" on your Cadillac, and talk of reviving the Republic of Texas, you would do well to look at moles such as Walt Rostow at the University of Texas. Rostow is trying to create a series of energy regions with bond-floating capacity, in collusion with his old friend, New York investment banker Felix Rohatyn of Lazard Frères. And this year's liberal assault on the sacrosanct Texas Railroad Commission is further cause for reflection. We have a national disease we need to eradicate: Aspen's carefully cultivated anti-growth philosophy. No, "states' rights" is no more the answer now than it was 200 years ago when Hamilton and the other founding fathers fought it in the Constitutional debates. A rereading of the *Federalist Papers* is very timely.

Mary Gilbertson of the Fusion Energy Foundation originated the research for this column.