

# Oil severance taxes may cause interstate war

WASHINGTON — A new study warns that a growing disparity in energy resources between the "haves" and the "have nots" of the 50 states is leading to "one of the largest capital transfers in our nation's history."

The unequal distribution of resources, coupled with high severance taxes imposed by producing states on importing states, threatens to create "superstates" that could harm the feder-

al system, the Northeast-Midwest Institute said Sunday.

The study said state earnings from the production of oil and natural gas will reach \$220 billion in the 1980s and "precipitate one of the largest capital transfers in our nation's history."

The result, the study said, will be to "accelerate the decline of energy-poor regions and thwart efforts to revitalize the troubled economic structure of the older industrial states."

The recent Supreme Court decision upholding Montana's 30 percent severance tax on coal will only make the problem worse, two members of the Northeast-Midwest Congressional Coalition said.

Reps. Claudine Schneider, R-R.I., and Howard Wolpe, D-Mich., recommended a national summit meeting on severance taxes to "study proposals for legislation that will respect the rights of producing states without causing econo-

mic disruptions in energy-consuming states."

The study said state severance tax revenues tripled from \$710 million in 1972 to more than \$2 billion in 1978.

"However, the increases expected between 1980 and 1990 — the era of domestic decontrol — will dwarf anything we have seen so far," it said.

Some states, the study said, already depend on severance taxes — mostly paid by energy consumers — for almost one-fourth of their revenue, allowing

them to sharply reduce business taxes. Texas, where severance taxes provide almost 18 percent of all state revenues, has no corporate or personal income tax, the study said.

At the same time, the study said the crisis is not simply a Sun Belt-Frost Belt problem because 20 states generally thought of as in the Sun Belt also are energy-dependent.

Without reform of the severance tax system, the study warned "there is a strong possibility that a dangerously di-

visive tax warfare will break out, each state striving to tax a predecessor just to preserve its position."

"In any such warfare, the Sun Belt and Midwest will be heavy losers, so, ultimately, will be the entire country," said the study, "as its states, and its local governments, impose new tax burdens on certain sectors, become dangerously reliant on narrow and probably regressive bases."

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# Air traffic controllers consider leaving FAA

WASHINGTON — Some air traffic controllers are thinking about setting up their own private company to lease their services to the Federal Aviation Administration and win contract demands denied them as government employees.

Articles of incorporation may be filed within the next few days in the District of Columbia for "Air Traffic Control, Inc.," or a similarly named company, according to one controller who asked not to be identified.

The idea of forming a private company for the nation's 17,000 controllers was advanced after the government and the Professional Air Traffic Controllers Organization agreed to a tentative pact June 22, averting a threatened walkout that would have defied a law prohibiting strikes by federal employees.

The agreement now is before the controllers, who are expected to reject it by an overwhelming margin on grounds it does not address their main concerns — a shorter work week and better retirement benefits.

"I know it (the proposal for the private firm) is starting to raise itself again," said John Thornton, head of the PATCO

local at Washington's National Airport. "The problem is, the FAA would never cut us loose."

One plan originating in the Leesburg, Va., air route traffic control center would call for a mass resignation of controllers from the FAA to join ATC, Inc. after it is incorporated.

Under the plan, ATC, Inc. then would negotiate with PATCO, the controllers' bargaining agent, a contract providing virtually all of the benefits unsuccessfully sought by the union from the FAA.

"At such a date as is determined by ATC, Inc., these men would legally walk off the job because they won't be employed by the FAA any more," one controller said. "They wouldn't be strikers, they'd be bona fide employees of ATC, Inc."

Officials at union headquarters and in several regional offices said the union leadership has not been involved in the plan.

Eastern region Vice President Michael Fermon, a chief promoter of the private company idea when it was first considered some years ago, said even if such a plan was

feasible in Boston, it would be two or three years on a road.

"The biggest concern the controllers face is not between themselves and their employer," he said, "it's that they don't feel they have anywhere to turn — no one stands what their concerns are. What this would be up a vehicle that would be responsive to controllers."

Fermon said he fully supports current efforts at union leadership to obtain an acceptable contract.

"It is safe to assume the tentative agreement rejected by the membership," he said, "I don't devote all our efforts to obtaining a new contract realistically we cannot rule out the possibility of a new plan doesn't fit in at all under the present circumstances."

An FAA spokesman said the agency is aware of the plan and does not favor it.

"The FAA would like to keep responsibility for air control and one reason is the controllers have a fabulously good job," the spokesman said. "Last year lines killed more people than scheduled airlines."

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# State calls National Guard Boston workers strike

BOSTON — Three thousand National Guardsmen were called up Monday to change lines, patrol corridors, cook and help care for patients at 25 state mental health facilities that have been hit by a state workers strike.

About 1,000 guardsmen already were on duty Monday as

striking workers picketed outside the institutions or stayed home to protest the political impasse over a fiscal 1982 state budget that has frozen their paychecks since July 1.

The other 2,000 guardsmen were on standby status.

The job action, which began Friday, has been confined so far to mental health facilities. But workers at sewage treatment plants and prisons were considering joining the strike, union officials said.

A legislative conference committee approved a compromise \$6.3 billion spending plan for fiscal 1982 shortly after midnight Sunday, but the breakthrough did not alter the strike plans.

State Mental Health Secretary Mark J. Mills said 2,000 guard reinforcements were activated, but were held on standby until state officials could assess the extent of the walkout at hospitals Monday.

At the mental facilities, Mills said only 40 percent of the regular workers showed up Sunday where 920 guardsmen were on duty. The guardsmen joined supervisory personnel and workers at the facilities doing cooking, washing clothes, changing linen and providing security.

Col. William Gormley, Nation-

ally Guard operations in Massachusetts, said two police units comprising 300 were also ready for action situation warrants.

"They're doing very good," Gormley said. "The task is to get the situation under control."

"Anything that disrupts it's a danger," Mills said.

The union, the American Federation of State, County and Municipal Employees, has opposed the strike since it began.

AFSCME, the largest state employee union, represents 80,000 workers in the state.

John Harvey, an AFSCME spokesman, said the strike spread to other state agencies, possibly including the Department of Corrections, state prisons, state universities, state campuses and the Metropolitan District Commission, which spread jurisdiction over parks, recreation facilities, reservoirs and its own police patrol.

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# Southern business lags behind rest of country

DALLAS — Despite the hoopla about Sunbelt economic growth, the region's productivity lags 8 percent behind the rest of the country, Texas economist reports.

Dallas, with a heavy reliance on the apparel industry, is 12 percent below average in productivity and 12 percent below in output, said Rice University economist Edward M. Miller in the latest issue of the Texas Business Review.

Houston exceeds the national norm, with productivity 21 percent above the national level and wages higher by 2 percent.

He said those differences were more important to companies outside the region than to firms in the two cities.

"They (Dallas and Houston) don't compete with each other with the rest of the country."

Miller noted that the South's overall productivity lagged 8 percent behind the national average.

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