Satellite Power System (SPS)
Centralization/Decentralization

October 1978

Prepared for:
U.S. Department of Energy
Office of Energy Research
Satellite Power System Project Office

Under Contract No. EG-77-C-01-4024

DOE/NASA
Satellite Power System
Concept Development
and
Evaluation Program
Available from:

National Technical Information Service (NTIS)
U.S. Department of Commerce
5285 Port Royal Road
Springfield, Virginia 22161

Price:  Printed copy:    $5.25
                     Microfiche:    $3.00
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Washington, D.C. 20545

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The Impact of Centralization/Decentralization
On a Satellite Power System

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Summary

Here are the 10 most important ideas in this paper:

1. After 150 years of increasing centralization, America has moved into a process of decentralization that will have a profound impact on all public policy decisions.

2. The states are assuming more power.

3. Communities and neighborhoods are increasing their influence and control.

4. The emerging regional concerns of the mid-70's are developing into a militant new regionalism not experienced in the U.S. since the Civil War.

5. There is a growing jurisdictional diversity in approaches to solving problems, including those involving energy.

6. In government and technology, the phenomenon of appropriate scale is replacing economies of scale.

7. The referenda or initiative process is a powerful trend, and in all sections of the country we will be submitting new questions (not excluding SPS) to this political process.

8. The introduction of every new technology is necessarily accompanied by a compensating human response or the new technology is rejected.

9. The society is in a profound shift from an industrial to an information society, which, among other things, accounts for the sharp decline of labor unions and national political parties.

10. The U.S. is becoming more and more a multiple-option society and less and less an either/or society.
Introduction

Trends move in different and often contradictory directions. They have different weights and speeds, and they differ in their degrees of impact on the society. Given this, our judgment is that beginning about two or three years ago -- more or less on the occasion of the country's 200th birthday -- the weight and importance of the decentralization trend in America became greater than the 150-year-old trend toward more and more centralization. This represents a fundamental change in the American experience. As will be argued below, the decentralization trend is becoming more and more pronounced as the forces in the direction of centralization recede (overcoming the two great centralizing events of our nation's history: the great depression and World War II).

This paper focuses almost exclusively on decentralization because that is the direction the country is going, and in engaging the issues involved the essential questions and subtleties germane to SPS are raised.

There are eight major forces at work in the decentralization process:

1) More power is being assumed by the states. The states of the union are taking charge in areas once considered the preserve of the federal government. Federal agencies continue proliferating regulations and promulgating codes,
but the once one-way flow has ceased; significant decision-making authority is being asserted in state capitals.

2) **Communities and neighborhoods have greater influence and control.** In the recent history of neighborhood control (beginning in the 50's), the first actions were based on criticisms of the system brought by community members seeking to make schools and police more accountable to local concerns. In the next stage, communities worked to establish a process of continuing accountability, but still on an ad hoc basis limited to specific issues. In the next stage, the cycle moved towards more integration of civic activities leading to the development of "neighborhood multi-service centers," which exist in some form in almost every city of over 75,000 population. The basic service elements are information and referral, health, employment, welfare, housing and youth programs. The newest development has turned from integration of present services to community goal setting. This is occurring in about 250 cities and towns including Memphis, Cleveland Heights, Iowa City, Santa Barbara, Seattle, Tulsa, Greensboro, New Orleans, Dayton, and Rochester, N.Y.

3) **The emerging regional concerns of the mid-70's are developing into a militant new regionalism not experienced in the U.S. since the Civil War.** This new regionalism will be advanced and compounded by struggles between the have and have-not states in connection with energy and water.
4) The strong decentralizing impact of federal revenue sharing is being felt at all levels of government. States are now beginning to return tax money to cities and cities to neighborhoods. Once highly criticized, revenue sharing is now receiving greater praise.

5) There is a growing jurisdictional diversity in approaches to solving problems. This new geographic pluralism is following the pattern of increasing diversity that we saw in the celebration of individual diversity in the 50's and 60's and of ethnic diversity in the 60's. A phenomenon of the 70's is this new jurisdictional diversity in approaches to problem solving -- wide variation in the way towns, cities, and states are approaching issues, including energy concerns.

6) Notions of economies of scale are being supplanted by criteria for appropriately-scaled activities. The question being asked is: What is the most appropriate scale (level of government) for each particular social goal? The question is being asked, and acted upon, in connection with energy problems and concerns; the answer can be federal, region, state, city, neighborhood, or even back yards, depending on the question.

7) The plethora of referenda in all sections of the country is a pronounced expression of the continuing shift from a representative democracy to a participatory democracy. We are (locally) submitting to the political process ques-
tions we never submitted to that process before, including whether or not to build a nuclear power plant, for example. This trend will continue to grow and expand and eventually could lead to national referenda, as well.

8) Underlying all the above is the shift from an industrial society to an information society.
More Power is Being Assumed by the States

States have revamped their organizational structures to accommodate to changing requirements and increased power. Many had two-year gubernatorial terms in 1960, and less than half the state legislatures met every year. Now 43 states have four-year terms for their governors, which means they can actually govern rather than spend all their time campaigning. Thirty three legislatures now meet every year. Nine states have adopted new constitutions, and many others have reorganized their executive branches or revised their charters.

The states have strengthened and improved their finances. Where in the 1950s most states relied on outmoded revenue systems which have prevented them from providing many new services, most have since then adopted broader taxes on income and sales which have given them new financial power. While the federal government runs continuing and mounting deficits, every state except Delaware has a balanced budget or a surplus this year.

Part of the shift of power to the state level is motivated by the movement toward greater individual control over individual destinies; state governments, large as they are, are smaller, more flexible, and in a position to be more responsive to individuals than is the federal government.
There is more initiative, leadership at the state level. The states have provided a number of examples of their ability to devise solutions to current problems. States led the way with consumer protection agencies, and how every state, without exception, has established such a body.

Since 1970, 11 states have passed some form of no-fault auto insurance, and eight have extensively modified their auto insurance codes, while Congress only debated the issue. Practically every state has taken some action on land use planning, and a number have taken still other innovative measures in environmental protection. This change, which has occurred in gradual steps at differing rates in various parts of the country, has sometimes been difficult to perceive, because it has been so diffuse, but it is impressive in its totality.

While Congress has debated an energy bill for well over a year, local energy initiatives have been impressive. Thirty states now have solar development legislation (and 140 cities are now operating or planning to operate garbage-power systems).

It has become increasingly clear that states want no nuclear waste decisions pushed on them by the federal government. The federal government's word is no longer accepted as the final authority in nuclear matters.

This year the Illinois legislature is considering a
bill that would halt new nuclear plant construction for five years while a state study of the disposal issue is completed. California did its own study of the disposal question which was used in the defeat of the Sundesert project. At least nine other states are considering legislation that would ban nuclear construction until the waste question is satisfactorily answered.

Several states already have enacted laws prohibiting permanent waste disposal within their borders. In Michigan, a bill is touted as a method to establish "leverage in court" to block action by the federal government.

New Mexico is being considered for a federal waste isolation pilot project (WIPP), but has been assured repeatedly that a state veto option will be honored. A federal task force is studying New Mexico sites and is due to report its recommendation in October or November. Department of Energy officials have encountered considerable anti-WIPP sentiment in state hearings on the issue.

Once considered territory friendly to nuclear power, New Mexico recently gave a firm dealing in the disposal of low-level wastes so much trouble that the company withdrew its proposal. Chem-Nuclear Systems Inc. gave up an attempt to win approval for a burial site near Cimmaron. A firm official explained that the process to secure permission would have been very long, very expensive and that there were not enough guarantees to warrant trying.
In Vermont, controversy is brewing over the role of the state health department in "becoming a forum for broad-based debate on nuclear power." At issue is the state's role and control over its one generating plant, Vermont Yankee. A draft proposal calling for a statewide referendum to determine the role the state should play in the regulation of nuclear power is circulating. The proposal suggests a more active state role and would challenge the exclusive authority of the NRC. The action follows the report of a state radiologist advocating more local participation and investigation of nuclear questions. The state health board also wants a permanent state nuclear advisory committee established by law. Members are worried that the present panel, which was established by executive order of the governor, doesn't have enough power.

Wisconsin, Connecticut, and Kentucky are among the states that are requiring extensive emergency plans for nuclear power accidents, including elaborate evacuation procedures and possible practice drills.

In Illinois, Attorney General William Scott's maneuvers to block continued storage of nuclear waste in that state has attracted national attention.

State legislators are demanding something close to the veto powers included in the nuclear referenda as they realize the environmental and political dimensions of the nuclear waste disposal problem.
It is clear that states want and are asserting increased power and control over siting and regulation of nuclear plants. They also want to control nuclear waste plans and transportation as well as disaster emergency plans. Federal attempts to standardize nuclear planning will most probably be met with resistance, since every state has its own concerns. Further, as in other energy matters, state control, especially if a heated and politicized issue such as nuclear power is involved, may be even more restrictive than federal control.

This new assertiveness on the part of states must be taken into account in developing approaches to the selecting of SPS receiving sites.

Communities and Neighborhoods Have Greater Influence and Control

There have been four stages in the development of this trend towards the decentralization of local government:

1. The first actions began as a way of handling specific issues and problems -- an attempt to deal with negative elements within the present system. Schools which were responsible to local parental concerns, and police departments, responsive to local community needs, were the initial issues.
(2) In the next stage, communities began to try to develop a mechanism for continuing accountability, in the form of permanent citizen advisory boards, or oversight committees. The issues were still diffused, and the groups were formed in an ad hoc fashion to focus community attention on a specific problem.

(3) The next series of actions was aimed at better integration and coordination of a variety of civic activities. These initiatives frequently take the form of "neighborhood multi-service centers." In almost every city of over 75,000 population, these centers can be found providing an array of service elements including information and referral, health, employment, welfare, housing and youth programs. Indianapolis, for example, has eighteen such centers.

(4) The current stage of the cycle is the development of community goal setting processes, many of which are led by citizen groups, rather than elected political figures. These goal setting groups often take on a broad charter — and aim at developing new forms of city government, or a new way of including a wide range of citizens in "consultant" roles. Over 250 cities and towns ranging from Memphis, to Santa Barbara, Iowa City, Seattle, Tulsa, Breensboro, New Orleans, Dayton and Rochester, New York have these groups at work.

Any city may, of course, have several stages occurring at the same time as the community members try to
address both remedial problems in the present system, and long-range goals. For the last three or four years these have included the range of energy concerns.

Planning activities, too, reflect the stages outlined above -- moving from a crisis (where individual citizens block the bulldozers at the moment construction is due to begin) to continuing citizen participation in community planning. A good example here occurred in Madison, when the City Council voted to supply modest funding to hold a city-wide charrette to resolve a dispute over the redevelopment of downtown State Street that had been going on for sixty years. After initially being concerned about the open-forum process of the charrette, city planning officials found it a helpful way to establish a lasting consensus. Now, the Planning Department has instituted a new system in community planning: rather than asking the citizens to ratify a larger master plan, they have decentralized the planning process to district levels. The city planners present an array of alternatives in informal sessions held in the local neighborhood districts.

Three years ago the California Task Force on Local Government Reform said in its report that, "What is essential to the reform of local government is the restoration of methods of public choice which allow citizens to change their local government structures and operations to meet local needs." It recommended that:
1) State governments should, by legislation, guarantee that local jurisdictions will not be required to bear the cost of state imposed programs;

2) Taxing authority should be shifted from the governmental levels most removed from the people to those nearest and most accountable (proposition 13 shifted some of this the other way);

3) It should be required that elected legislators, rather than non-appointed bureaucrats, pass on any state regulations proposed for imposition on local governments;

4) The state should oppose direction distribution of federal monies to local governments unless such distribution occurs without regulations or other requirements as to its use (the National Governors Conference in Boston in August passed a resolution saying Congress should allocate extra monies to pay for all requirements and demands made on local governments).

Illinois' new constitution grants home-rule powers to certain local governments, thereby ending the parent-child relationship between the state and the cities. Under the new document, cities of more than 25,000 population and counties electing an executive officer are given wide latitude in exercising powers and functions pertaining to their government and affairs. For the first time in the state's history, local governments do not have to come begging to Springfield for legislative approval of even the most minor activities. Home-rule has been used to meet a variety of local problems, in each instance representing a local effort to solve a particular area's problem without involving the Legislature.

The Constitution provides that smaller communities can elect
to become home-rule units by referendum; so far nine have done so, ranging in population from 325 to 28,043. Seven other municipalities rejected the referendum. Louisiana's new constitution similarly encourages local governments to adopt home-rule charters. Many states are moving in this direction.

Despite mixed results in some areas of the country, citizens are becoming more and more involved in the governmental process. In California, Governor Brown has hailed a new era of expanding citizen participation on state regulatory agencies. In Providence, new mayor Joseph W. Walsh is making maximum use of citizen advisory groups. In North Carolina, a state conference on urban issues emphasized that citizens are demanding a more direct vote in decision-making. Two years ago New York City adopted co-terminal service districts which will transfer certain services to 50 local boards. Ballot proposals in New York, San Francisco and Grand Rapids, Mich., successfully ended at-large election of councilmen and supervisors and established ward or district representation. Court ordered legislative redistricting in Mississippi had the same purpose. Power is returning to the neighborhoods. People see district representation as a way to regain control of the local power structure which, in the past, has often proved insensitive to the general needs of local communities. City and county demands for direct representation in the statewide political process will continue to grow. Local communities will continue to seek direct access to the decision making process as citizens across the
country seek to gain control over decisions which affect their lives.

Many local communities are attempting to work out their own energy priorities, plans and policies.

Municipal utilities are increasing in number, cogeneration facilities are being tried, trash to energy plants are multiplying, conservation measures are being enacted and tax incentives are being offered for alternative energy projects. Local and state governments are trying to make their way through the energy maze, some attempting to set up flexible energy plans, thus releasing themselves from the tyranny of heavy dependence on one particular energy supply. Other localities also are following the "strength in diversity" credo.

The concept of a nationwide energy crisis may be difficult to grasp, but interest in local energy production, decision-making and policy planning reflect the public's immediate concern for homes, jobs and community. More and more municipalities are setting up their own electric operations, buying private companies or joining with other community systems to gain more control over energy supplies, prices and production. Public water and sewer utility operations have set a precedent for these moves, and as economics push private companies' rates up, public utility options grow more and more attractive to local governments. The governor of Oregon, for instance, has revived his push for a state power
authority which would, in effect, turn the state into one large public utility district with first call on inexpensive federal hydropower.

As interest in public power increases, private power companies are moving to make sure their interests are protected. According to the Edison Electric Institute, 35 municipal power operations have been created since 1960 but 111 have gone out of business, 85 percent of them sold to private companies. But, interest in organizing municipal power operations is growing. Localities that have municipals are fighting to hold on to them.

The American Public Power Association reports localities interested in developing a local public utility include Detroit; Albuquerque; Fargo, North Dakota; Erie, Pennsylvania; Brattleboro, Vermont; Santa Cruz, California; Yarmouth Port, Massachusetts; Salt Lake City; and Westchester County, New York. Press reports indicate interest in the cities of El Paso; Rochester, New York; Needles, California, and Springfield, Vermont. The citizens of Springfield recently voted to spend $58 million to restore the generating capacity of six local dams, form a municipal power company and take over electric distribution from the local investor-owned utility.

Other communities are seeking to gain control over their energy destinies as private utilities encounter difficulties serving customers at rates considered reasonable.
Last year, residents of Westwood, Calif., turned off their electricity for a week to protest bills which have tripled in the past year. Three cities in Texas, whose residents had similar complaints about sharp rate increases, have joined together to mine coal and produce electricity at affordable prices.

The city of Wichita, Kan., is studying ways to construct a coal gasification plant. Tax-free municipal bonds backed by purchase contracts are being considered as a way to finance the operation. The plant would be operated as a city utility with tax-free non-profit status. Hopes for the plant are that it will become the "keystone of a regional energy network affecting nearly every home and business in Kansas."

Smaller-scale soft technology solutions are being tried in another city in New England. "The realities of public power have pushed the Burlington Electric Department into the forefront of the search for new ways to produce electricity," according to the Burlington (Vt.) Free Press. The municipal utility, the Press noted, has "realized that all avenues of power generation have to be explored to satisfy questions of increasingly sophisticated consumers who exercise ballot-box control over bonding the department."

Proposed are a trash and wood fired plant and a small hydro operation. Waste heat from the latter plant ideally will be used to grow vegetables and fish in an energy park.
Last year a referendum in Columbus, Ohio, gave the mayor of the city a victory he had been looking for. A $118 million bond issue will be floated to build a 90 megawatt trash and coal fired plant. City streets will be lighted with the power generated, and it is expected that landfills will be eliminated. The plan, Mayor Tom Moody's pet project, had been rejected once, but 64 percent approved the measure this time around.

In Dade County, Fla., metropolitan officials have signed a contract with the Florida Power and Light Company for construction of a $14 million generating plant to be powered by garbage. A $100 million proposal is planned, subject to state approval. The electric plant and its companion resource recovery plant will be financed separately; the agreement includes a mixture of private and public financing. If the project is successful, 41,000 homes will be served.

A similar project is underway in Hempstead, N.Y. A private firm is building a plant which will produce steam to sell to the Long Island Lighting Company. The resource recovery firm is building the plant on town-owned land and will not be taxed on it. Special state and federal rulings allowed the arrangement. Although not a public utility per se, the Hempstead plant demonstrates the kind of cooperative efforts being seen more frequently at the local level.

Local communities want to control their energy destinies. Consumers can oppose higher utility rates and unpopular
options such as nuclear power through regulatory channels or by protesting, but more municipalities are opting to serve their citizens by assuming production and delivery responsibilities. This should not be lost on any SPS strategies.

Regionalism

The emerging new regionalism is expressed in a range from the formation of new political organizations to Texas' "Freeze a Yankee," in song and bumper sticker. Essentially, Texas is saying that if the people of Massachusetts are not willing to drill off their shores for oil, the people of Texas are not willing to sell them the oil they drill and they can damn well freeze.

The new regional political organizations are creatures of the mid-1970's and grew out of a concern for the widening in rates of economic growth and demographic change among certain regions of the country. Among the groups that have emerged: ¹

Coalition of Northeastern Governors (CONEG). Called together by Governor Hugh L. Carey of New York, this coalition was established on June 23, 1976, and is comprised of the seven states of the Northeast: New York, New Jersey, Pennsylvania, Connecticut, Rhode Island, Massachusetts, and

Vermont. Maine joined later. The objective of the coalition is to provide a coordinated voice to Congress and the White House. As chairman of the CONEG, Governor Carey in 1977 sent personal letters to the governors of the Southern states assuring them that "we seek, not to be a separate entity battling a war none can win, but seek to be again the healthy, productive and contributory member of the society we have been all the nation's history."

Northeast-Midwest Economic Advancement Coalition (NMEAC). Established September 1, 1976, on the initiative of Congressman Michael J. Harrington of Massachusetts, this coalition has more than 200 members of Congress from 16 states: Connecticut, Illinois, Indiana, Iowa, Maine, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and Wisconsin. Another obvious response to the gains in the Sunbelt states in contrast to their own predicament, these states say their objectives are to educate Congress and the executive branch "to the need for greater regional sensitivity in the formation and administration of federal programs," and "to develop positive and aggressive legislative initiatives aimed at reviving the economics of the Coalition states."

Southern Growth Policies Board (SGPB). The SGPB has been in existence since 1971 and is authorized and funded by the legislatures of 13 Southern States: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North
Carolina, Oklahoma, South Carolina, Tennessee, Virginia, and West Virginia. Its objective is to plan for growth and change in all areas of the South.

New England Congressional Caucus. Founded in 1972 by the 25 members of Congress from the six New England states, its focus has been primarily on energy and transportation problems.

Midwestern Governors' Conference. The Midwestern Governors' Conference has recently emphasized a reassessment of federal spending priorities.

Great Lakes Governors' Caucus. First convened in October of 1976, this caucus is primarily concerned with federal economic policy as it relates to the Great Lakes region, and it is cooperating with Northeastern states on issues of regional economic development. Caucus states are Illinois, Indiana, Minnesota, Ohio, Pennsylvania, and Wisconsin.

Federation of Rocky Mountain States. Colorado, Wyoming, Utah, Montana, and New Mexico, make up this federation which is concerned with regional economic imbalances -- chiefly its own vis-a-vis federal government programs and the rest of the states. In a speech in late '76 to the Southwest Regional Energy Council in Dallas, the federation's president, Jack M. Campbell, former Governor of New Mexico, said that the issue of regional imbalance in federal economic policies "is being formulated, and conclusions drawn, in ways that do injustice to our states, that undermine the basic concept
of our commonwealth, and tend to foster unnecessary and counterproductive competition among our regions, our states, their legislatures and their governors."

Most of the above is in response to the shift in economic and political power from the Frostbelt to the Sunbelt. (From 1869 to 1945, only two presidents were elected from areas outside the Northeast; from 1963 until today, all elected presidents have come from the Sunbelt.) The regional imbalance in federal economic policies that Jack Campbell speaks of includes the fact that the North continues to send money (through the federal government) to the Sunbelt states when their needs are less and the North's greater: The largest net flows of federal spending continue to go to those regions that are growing the fastest." Two years ago Neal R. Peirce of the National Journal was quoted as saying, "There's going to be a terrific political issue when the Northeast wakes up to the fact that it's being milked to death for tax money going outside the region at a time when it's having a tough time paying for its own needs." It's

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waking up to that fact.

While there is not total agreement the Sunbelt is usually thought of as Southern California and 14 states: Alabama, Arkansas, Arizona, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.

While much attention is being focused on regional imbalance in federal income policies, it may be that federal energy policies and regulations will have more important consequences (high energy prices put heavy burdens on every Northeastern jurisdiction: start SPS there?), not forgetting that with population shifts the 1980 reapportionment of the U.S. House of Representatives will favor the Sunbelt.

Regional tensions are reaching their most intense pitch in many years. The "Sunbelt-Frostbelt" controversy is the subject of conferences, studies, speeches and sharp emotions. Arguments over how federal funds are allotted are the basis of this dispute; federal funds have become so vital to state and city operations that they can make the difference between the life and death of an area.

The Frostbelt states, through such groups as the Northeast-Midwest Economic Advancement Coalition, have been able to change the federal formula for community development funds to benefit their cities. When Sunbelt politicians realized this had happened, they began a counter-offensive. At last year's Southern Governors' Conference, several governors
claimed that an "economic civil war" had been initiated by the North. Oklahoma Gov. David Boren said that the Northern move to change the basis for community development grants was the most discriminatory move in 43 years, when controversy over freight-rate differentials led to formation of the Southern Governors Conference. Georgia Gov. George Busbee, new chairman of the Southern Growth Policies Board, was quoted by the Austin American-Statesman as saying that the South had been caught "asleep at the switch" and that Southerners "are going to be eaten alive if we don't wake up."

Money is the heart of the controversy. The Northeast claims it is disadvantaged because it pays more tax dollars to the federal government than it receives and because most defense money goes to the South. However, several reports released this period indicate that the Northeast is not a complete economic disadvantage. The Congressional Budget Office released a report saying that, while the rate of growth in the North lagged, per capita income in the South was lower; 63 percent of the country's low income counties are in the South. A Library of Congress study requested by Sen. Henry Bellmon (D Okla.) and other Western Senators showed that while most federal defense and public works funds go to the Sunbelt, most economic development and antipoverty funds go to the Frostbelt.

Expressions of regional feeling are becoming more heated because of economic tensions. The Los Angeles Times
quoted Rep. Michael J. Harrington (D Mass.), then head of the Northeast-Midwest Economic Advancement Coalition, as saying, "The South has always had a paw reaching for the cookie jar." Gov. Busbee has said that if the North was going to insist that community development funds be allocated based on the number of old buildings in an area (the funding change that the North managed to pass in Congress), "Congress should go back to 1864 and count the number of burned homes we had in our region after Sherman marched through Georgia."

The dispute continued at a Lyndon B. Johnson School of Public Affairs, University of Texas at Austin conference late in 1977 on the sectional controversy. New York Gov. Hugh Carey said, "We can't change the amount of sun and warmth that you have. We just have to adjust for it." He implied that the Sunbelt should compensate the North for its decline. Gary Mayor Hatcher said that the South and the West "in light of their new-found affluence" should be willing to "have some role in reviving and rebuilding the old cities of the Frostbelt." Sunbelt officials responded less than enthusiastically to this suggestion. Gov. Boren said the accusation that the South receives an unequal share of federal assistance was a "myth that must be exploded," and added that, "it is shortsighted to stunt the growth of one region to try to build another." At the National League of Cities Conference, Cleveland Mayor Dennis Kucinich said, "Houston will have to pay for its pre-eminence. You must help us poor folk for awhile."
Houston Mayor Jim McConn replied, "Why should we share our goodness? Maybe your predecessors earned what Cleveland now is."

There are less calm responses to this suggestion that the Sunbelt should assume more responsibility for the Frostbelt. At a speech to the Texas Municipal League, Sen. Lloyd Bentsen (D Tex.) said, "These raiders from the North are not seeking equity, they are seeking plunder," and former Houston Mayor Fred Hofheinz added, "I say we fight - and fight to win."

The federal government apparently is trying to play a low-key role. President Carter was once chairman of the Southern Growth Policies Board, but his administration approved changing the community development funding to favor the cities of the Northeast. Commerce Secretary Juanita Kreps told the National Governors Conference that state and local governments should not expect "some vaguely defined 'fair share' of all federal expenditures"; her argument counters the claim of the Northeast that it deserves as many tax dollars as it provides.

The Administration has also sponsored the January "White House Conference on Balanced Growth," at which Busbee and Sen. Daniel Patrick Moynihan (D N.Y.) both decried regionalism but espoused their own region's positions. Busbee said the South "had its britches down" when the community development funds clause was passed and that the North could
not expect another alimony (though no divorce was suggested) to sustain the manner of living to which it was accustomed, while Moynihan criticized the concentration of defense spending in the South.

Organizations are being developed to pursue the duel over federal funds. The Southern Growth Policies Board has been revived and is opening a Washington office. Rep. Mark Hannaford (D. Calif.) is organizing a Sunbelt coalition to counter the Northeast. Old political alliances based on civil rights, economics, and other issues are giving way to alliances based on geography.

Regional cleavages are not just a question of North-South or Frostblet-Sunbelt tensions; the West is asserting its own identity. An intense Western regional politics is developing as a result of the energy crisis and of the Carter Administration's energy policy and farmlands policy. Westerners feel that they may be drained of their resources without sufficient compensation. At last year's Western Governors Conference, Colorado Gov. Richard Lamm proposed a new Western Governors Policy Office (WESTPO), which could consolidate other regional organizations into a larger unit with branches devoted to energy, water, natural resources, human resources and agriculture, in order to "increase vastly" the influence of Western states in the making of national policy. WESTPO includes Alaska, Arizona, Colorado, Hawaii, Montana, Nebraska, New Mexico, North Dakota, South Dakota, Utah and Wyoming.
However, California, Oregon, Washington, Nevada and Idaho voted not to participate in this new branch of the Western Governors Conference. Washington Gov. Dixie Lee Ray spoke for some of the WESTPO opponents in saying that she felt uneasy about delegating responsibility for "regional policy management" to the group.

Western regional feeling is finding other expressions. Wyoming Secretary of State Thyra Thomson told the Western State Republican Conference that the West needs a Western president to protect its interests. She urged all Westerners in Congress to vote as a bloc with a "total commitment" to the West. A Western Republican, quoted in the Idaho Statesman, accused President Carter of "waging war against the West" in an act of "out-and-out political revenge" because the West voted for Ford. The Republican party is wooing the West. "Our values are synonymous with Western values," the Denver Post quoted National Chairman Bill Brock as saying. Not incidentally, the western State Republicans' Conference supported increasing Western energy production by gradually removing federal controls over energy prices and preservation of "states' rights" over water.

The concept of regionalism has a natural connection with the concept of "states' rights," which also is becoming more popular as energy and environmental issues become more important. "The day of the state has come and gone -- and come back again," says Colorado's Democratic Governor Lamm.
"I am fighting to keep state control." Sen. Gary Hart (D Colo.), who told the Denver Post that he doesn't like to use the term "states' rights" because of its civil rights' history, said that nonetheless, on issues such as water resources, a "states' rights" attitude may be most appropriate.

Former Secretary of the Interior Stewart Udall voiced a general concern common to residents of Colorado, New Mexico, North Dakota, Oklahoma and Wyoming when he warned these states against becoming "energy colonies" and thus suffering the fate of Appalachia. Udall urged the states to protect themselves by placing taxes on the extraction of fuels and minerals within their borders. New Mexico is doing just that. The state passed an energy resource tax based on the estimated energy content of each ton of uranium ore or coal rather than on simple tonnage. The law also has an index in which the tax rises and declines in accordance with the wholesale price index.

The Brookings Institution's Richard P. Nathan thinks that the "root cause" of the regional struggle, particularly the Sunbelt-Frostbelt controversy, is the computer. In previous years, when Congressional formulas were changed, only a few committee chairmen and staff members knew what was going on. Today, easier access to computer data makes it clear which areas are getting what money. The dependence on federal money makes the contest more bitter. As all regions become more industrialized or seek to become more industrial-
ized, regional economic differences may become more apparent and more galling. Regional or local projects can become national political problems.

If the federal government takes on a greater role in funding local governments or in determining national policy energy for example, regional tensions may intensify. Regional feelings also heat up as greater dependence on federal funds threatens local autonomy and increases the competitive stakes. Conflicts on energy and environmental issues are increasingly perceived as regional conflicts.

Coal slurry pipeline proposals, for example, are running up against state water and railway blocks. A committee of the Colorado General Assembly has recommended that no Colorado water should go into slurry pipelines. Montana and Wyoming also are very concerned that their water supplies not be endangered (a ton of water is required to move a ton of coal). Louisiana is one of the states looking for coal and ways to import it.

The coal slurry debate is heightened by the nation's rail carriers who had hoped to revitalize their industry by carrying coal. They have been unwilling to allow pipeline construction under their tracks and have persuaded pro-rail states such as Kansas to support them.

The federal government eventually will decide the coal slurry issue since the pipelines will need the right of eminent domain to create rights of way. Some states, such as
Louisiana, have offered pipeline companies eminent domain, but others, such as Kansas, have refused. There presently are six coal slurry pipelines under construction or proposed, mainly from Western fields.

As he witnessed the era of the frontier come to an end in America, the famous historian Frederick Jackson Turner foresaw that it would be followed by a period during which regions would occupy a role of increasing importance in national life: Regional "self-consciousness and sensitiveness is likely to be increased as time goes on and crystallized [regions] feel the full influence of their geographic peculiarities, their special interests, and their developed ideals, in a closed and static nation . . . [Regions] are more important than states in shaping the underlying forces in American history."5

5 The Significance of Sections in American History, quoted in "The Despairing Optimist," by Rene Dubos, the American Scholar, Summer, 1974.
Revenue Sharing

The initiation of revenue sharing by the Nixon Administration ("New Federalism") has been as responsible as anything else for the acceleration of decentralization in this country, and is now politically supported across the board.

Countrywide, the general feeling about revenue sharing is that it has been a good thing, although the administration of the aid is sometimes criticized. It is having far-reaching effects on local governments. Local power structures are being changed because the power to spend federal funds is put into the city board of directors rather than directly into the agencies, as was the case in the past. The two main criticisms of the administration of revenue sharing are that funds are in some localities being used in a discriminatory fashion, and that there is not enough citizen participation in decisions as to how the funds should be spent.

Borrowing from the federal revenue sharing idea, cities are pressing the fiscally-sound state governments for more help in meeting their expenses. The emphasis is quite simple. Since states have wider and more flexible means of raising tax revenues, and are in almost every single case
free of any budget deficits, the cities say, they should distribute some of their income to their sorely-pressed cities.

While there has been much debate about the use of revenue sharing funds (too much devoted to capital projects, used too much as a buffer against higher taxes and inflation, not enough of it spent on social services for the poor, etc.), often overlooked in the debate has been the importance of revenue sharing in shifting the decision-making for the use of federal funds from Washington to elected officials closest to the people and the problems. The criticisms have almost exclusively been directed at the outcome of local decision-making, hardly stopping to notice that the decisions were no longer being made in Washington.

The expansion of revenue sharing is being talked about in all sections of the country. Suggestions for the direction or form the expansion might take include: 1) Extension of general revenue sharing to additional categorical aid areas; 2) applying revenue sharing to various additional kinds of transfer payments -- money to students rather than to institutions (shifting already underway), money directly to those on welfare (welfare reform is the ultimate form of revenue sharing); and 3) counter-cyclical revenue sharing, e.g., when unemployment is up, emergency payments are made to cities for work programs (now in effect). State-to-city versions of these directions are also being widely discussed.
While there has been criticism that there has been too little community participation in how revenue sharing funds are spent, more than half of the jurisdictions involved have opened their budget processes to greater public scrutiny and debate. Because of their involvement, citizens are becoming much more sophisticated about the budget process, the main lever of government. In renewing the program, the Administration is proposing greater local citizen participation in deciding the use of revenue sharing money by requiring that state and local governments hold public hearings as part of their budget process: the central government leveraging participatory democracy.

**Jurisdictional Diversity**

Governmental jurisdictions have stopped looking for the one best way to accomplish a particular social goal, and are now experimenting with a wide variety of approaches. The old notion that it was more "scientific" (or a more efficient management practice) to identify one solution to a problem and impose it uniformly throughout -- is fading.

This trend in institutional design, specifically governmental institutions, follows a pattern of cultural and ethnic diversity which emerged during the sixties. In the 70s, institutions seem to be following a similar growth and diversification pattern. The idea of discovering a
"model" (one-best-way) to deal with a given situation is really based on a presumption that most of our values, and goals, are the same. But with the end of the melting-pot, with cultural diversity seen as a valuable and positive experience, we are no longer able to settle for an "averaged" design for a particular solution to a given social or technical problem.

Part of the new jurisdictional diversity is that not every jurisdiction by definition will be doing the same thing, including decentralizing. Some are expanding their governance through annexation, regionalism and the like, but this expansion is generally related to defining the appropriate scale for a specific function, e.g. transportation.

No longer looking for the one best way that every jurisdiction can adopt, cities are seeking new ways and altering the old. Take transportation. Atlanta and Washington, D.C. are building subways, but Boston decided on buses, and Dayton has gone back to the trolley car.

In much the same way cities and states developing their own responses to energy concerns.

A kind of de facto, decentralized framework for a "national" energy policy is developing in the direction of an emphasis on a diversity of fuel sources, with the mix differing geographically.

In New Jersey, for example, cogeneration efforts have been in existence for many years and will be an important
part of that state's energy-source mix. Participants are the Atlantic City Electric Company, Dupont, Exxon and the Public Service Gas Company of New Jersey. The state Public Interest Research Group has predicted cogeneration could meet half the state's power demands, reduce the need for new centralized power plants, and cut air pollution. The state is well-suited for cogeneration because of its heavy industrial concentration.

Gasohol is attracting increased attention in agricultural states. In Nebraska, there is talk of using cheese whey to produce alcohol for gasohol. In Alabama, one state official told the press, "This is the first time I ever prayed for a still."

Peat, the nation's second most abundant fossil fuel, is getting some attention. Minnesota, which has extensive peat reserves, is studying how they might be used. In North Carolina, a firm has begun to offer peat for sale to utilities. Environmental concerns about using peat are expected to be a major drawback for future development, however, since it is found in huge bogs, which are fragile ecosystems.

Western states are increasingly interested in lignite as an energy source. And in some parts of the West there is as much interest in wind as in solar.

The idea of converting waste material into usable energy is rapidly gaining acceptance as the economics of waste disposal and energy production continue to change.
Garbage-to-energy conversion plants have been built in Milwaukee, Columbus, Philadelphia, Bridgeport, Conn., and Brockton, Mass., Nashville, Seattle, New Orleans, Akron, Norfolk, Memphis, Knoxville, Grand Rapids, Westchester County, New York., Portland, Me., Burlington, Vt., and on Long Island.

The mix of fuel sources will vary greatly from one jurisdiction to another, with it mattering less and less to communities what other communities are doing. This is an opportunity for SPS: all communities will not either accept or reject SPS involvement; each community will individually be a candidate to accept or reject involvement with SPS.

As the society matures we are increasing our options in every direction (we no longer have to retire at 65, having the option to work beyond that age if we want to, while at the same time the trend toward earlier and earlier retirement continues). We are becoming less and less an either/or society where we all (personally or jurisdictionally) do things one way, as we more and more become a multi-option society.

**Appropriate Scale**

One of the fastest spreading new concepts in recent memory is the notion of "appropriate scale" as a direct challenge to "economies of scale." The initial focus and carrier for this concept was, of course, E.F. Schumacher's book, *Small is Beautiful*. While it points to new economic strategies employing "appropriately-scaled technology," it
also gives us a concept for initiatives already begun, especially in the social sector. Because "economies of scale" has been in the forefront for so long, almost all "appropriate scale" initiatives involve reducing the size of concentration of activities. For example, almost all prisons and mental hospitals being built in this country today are being built as multi, small, scattered units, rather than the huge human warehouses of the past. We know that families are decreasing in size (more appropriate to new environmental and resource considerations). The popularity of small towns has greatly increased (they are seen as a refuge from the hurly-burly of city life). The scaling down of transportation systems is widespread, and neighborhood clinics and community hospitals are now almost universal.

But Small is Beautiful could have its greatest impact on government -- as we continue to seek the most appropriate scale (level of government) for various activities. Almost all the movement to "appropriate scale" has and will be to smaller governmental units. The appropriate level for such things as raising armies and collecting certain taxes remains federal. We have seen that regional is sometimes the appropriate level for fighting for federal dollars. But otherwise, appropriate levels of government (particularly for social services) are more and more seen as those where the providers (of the services) know the users (consumers of the system) in an intimate, personal relationship. This under-
scores the importance of the "multi-service centers" mentioned earlier. Neighborhood councils and neighborhood courts are emerging (which are very successful in Europe, a part of the world that often foretells our own directions).

It is important to note that the great interest in "appropriate scale" and Small is Beautiful is partly an outgrowth of our changing personal values: the world is becoming too complicated and remote, and we are striving to simplify, to deal more with the familiar, the near-at-hand, the personal touch. The move to shift responsibilities and powers among the various levels of government, to place each function at its most appropriate level, takes these very human needs into account.

As these notions apply to energy, David E. Lilienthal, former head of the Atomic Energy Commission, has called for use of small dams, stating "bigness and smallness are not exclusives but are complementary." The small and medium hydropower installations are not going to replace the great generating and transmission system we already have, but they can satisfy some of the increasing demand regional systems strain their resources to meet.

Lilienthal said these projects would be low cost, quick to be built and consumers would have the added benefit of pride. "What will these little projects mean?" he asked, answering, "Lighting for schools, streets, parks and other communal purposes at prices lower than the norm. They mean
power at a price that will permit small industries to stay in business and keep on employing people. But they will mean something more important... while Congress debates energy policy, while the courts and learned experts discuss environmental trade-offs, while economics pontificate, people, in their own communities can do something to help themselves.... They have already begun."  (A Corps of Engineers report, requested by the President, found 16,639 recreation reservoir dams, 7,776 flood control dams, and 6,329 irrigation dams that could be harnessed with turbines. The report predicted that if these turbines were installed, dams would generate seven times more energy than what the administration anticipates from new solar heating and almost the same amount of electricity produced today by nuclear plants. However, the turbines would have to be purchased abroad because American companies only make giant models for large dams.)

Appropriate scale can mean as big as well as small. The appropriate scale for putting gas in an automobile is a neighborhood service station; but the appropriate scale for exploration for oil is huge, like raising an army. Although those in the Appropriate Technology movement equate appropriate with small, for the rest of us it can mean appropriate. (It could be appropriate to collect the sun's energy both in back yards and in satellites, depending on other considerations.)

The Referenda and Participatory Democracy

The notorious proposition 13 really had more to do
with the referenda trend than with taxes; and this initiative trend will continue strongly in this country because it is part of the larger movement toward participatory democracy.

Scores of communities in various parts of the country have now passed referenda banning the transport and storage of nuclear waste in their communities (36 out of 37 towns in Vermont have done so).

Proposition 15 in California two years ago was something of a watershed, both for accelerating the initiative trend and for the submission of energy questions to a political process. The proposition banning, in effect, nuclear development in that state generated a political campaign engaging a wide range of participation, including business, and went a long way to legitimizing this form of "direct democracy."

More and more questions will be submitted to the political process that were never submitted to the political process before. Davis, California, voted on South Africa, Washington state voters passed an initiative repealing the sales tax on food, several jurisdictions have voted on the abortion question, and, as has been well-publicized, Dade County, Florida, St. Paul, Wichita, and Eugene, Oregon have voted on referenda repealing gay rights ordinances. In San Diego County the voters passed a proposition last fall limiting county supervisors to maximum terms totaling 12 years. Similarly, in Florida, the first state to have sun-
shine laws, voters overwhelmingly voted in favor of a two-year moratorium on elected officials serving as lobbyists after leaving office.

Voter recalls, like the one in August to recall Cleveland's Mayor Dennis Kucinich, may become common, combining the referenda trend with the accountability trend.

The use of initiatives, and the efforts to gain use of them where that voter power is now already in existence, is spreading and will continue along with referenda and recalls. Twenty-three states and Washington, D.C. have initiative processes; others are moving toward them largely through the lobbying efforts of a group which is also promoting a national initiative. Initiatives have been used recently for registering opinions on returnable containers, community growth, gay rights and dealings with South African investors. A Gallup poll this year showed 57 percent in favor of a national initiative, and in the first voter test Los Angeles county voters endorsed the idea. The larger and perhaps less attractive impacts of specific initiatives in the fiscal area, where its use is most likely to spread, will not be immediately obvious, as illustrated in the case of California. It is likely, therefore, that initiative use will spread for some time before real attempts at reform are made, even though the first glimmer of restriction has appeared in Washington, D.C. where there is a proposal before the city council to prevent voters from using the initiative to
change human rights laws. Gay groups, the target of the recent initiatives mentioned, are also challenging the constitutionality of the situation where a majority is allowed to vote on the civil rights of a minority. The initiative process is sure to come under wider scrutiny ultimately since it has too many obvious defects despite the heady appeal of direct democracy. Since one issue in initiative reform will be regulation of dollars and media time/space used for advocacy of either side, the recent Supreme Court decision that a state cannot bar corporate spending on initiatives is highly significant.

The widening use of the initiative process is not the only manifestation of an increasing citizen participation. The frustration on the part of California voters who believe that legislators have not properly heard their message is leading to much higher levels of attendance at various legislative meetings, to public demonstrations, and to a newly awakened interest in the details of local budgets. Newspapers are responding to this surge of public interest by a flood of budget data analysis comparing, for example, budget and staffing patterns over the years for a selected group of school districts. Intervention of the voters at an earlier stage than the ballot box is certainly likely to increase, resulting in demands for accountability and efficiency becoming more specifically focused. An example of this kind of fiscal targeting could be seen on the federal level in the
effort by the National Taxpayers' Union (the major lobbying
group for Proposition 13) to cut out the $500 million subsidy for Amtrak. Representatives of the Union testified at an
Interstate Commerce Commission (ICC) hearing, stating that
"if there is a legitimate need for intercity rail travel, then it should be financed by the riders and not by taking
us taxpayers for a ride we don't want." This call for "user fees" to pay full costs of a variety of services which are
not directly used by the majority will be repeated in many sectors.

If the National Taxpayers' Union should be successful in having a constitutional convention called (see above)
to consider an amendment mandating a balanced federal budget, it is not clear whether other parts of the constitution might
be called into question.

A major Proposition 13 effect which in itself will have profound impact is a strong centralization of power. In California the state's role of dividing property tax among the various jurisdictions in effect gives it a control over local functions. Additionally, strings attached to the allocation of the surplus funds allowed the state legislature to prevent pay raises of local employees. Permanent takeovers of some local functions will not be unpopular; indeed county supervisors have requested the state to take over the costs of welfare, the judicial system, mental health and a variety of other services. Acquisition of fiscal responsibil-
ity will certainly result in a seeking of concomitant administrative control. Thus there has been and will continue to be a very significant shift in power from local to state levels. In the national picture, large cities are likely as a result of loss of local funds to become even more dependent on federal funds for their survival.

Consolidation of some local jurisdictions is beginning to emerge as a method for widening the tax base and at the same time reducing costs and providing more efficient services. No significant instances have yet emerged, though consideration is being made in several localities; this kind of move, however, is one which takes longer to consider and implement than layoffs and therefore action on mergers will probably occur in the coming year.

In the struggle over regulation/deregulation the tax revolt is sure to add weight to the deregulation side. Lawmakers at all levels think they hear a call for less government, and they will be heeding that call. Governor Brown, formerly strong on environmental issues, promised builders, a week after Proposition 13 passed, that he planned to eliminate the requirement of environmental impact reports for projects in urban areas, stating "we must limit the regulatory underbrush." Adding to the apparent political wisdom of reducing regulations will be the practical aspect of fewer dollars to use for regulatory bodies. Clearly some kinds of regulation will remain popular with voters, but the climate
is right for moving away from others such as those on airline fares.

The initiative process provides that any citizen can draft a ballot proposition. Petition requirements for qualifying a proposition for the ballot vary by jurisdiction, but generally require confirmed signatures of 3 to 10% of the voters. While propositions are tilted by designated government officials, there is seldom provision for official clarification or amendment of the stated proposition. Depending upon the state, the initiative process can be used to establish laws, constitutional amendments or both.

While only in widespread (and wide ranging) use today, the initiative process has been around for quite a while. It was one of several turn-of-the-century reforms to help protect the public from what were perceived as corrupt, unresponsive state legislatures. Some states and local governments also adopted procedures for recall and referendum. The recall procedure determines whether or not a public official will be removed from office. While the term "referendum" is frequently applied to all voting on ballot propositions, strictly speaking the referendum process enables voters to review proposed or enacted legislation, approve or disapprove

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4 Some of the background on the initiative process has been drawn from correspondence with F.W. Steckmest and John Tatlock of Shell Oil Company, Houston, Texas.
proposed constitutional amendments, and decide questions which state legislatures must constitutionally refer to the public. Today 23 predominantly western states and the District of Columbia employ the initiative; Maryland, Florida, and Illinois are considering adoption of some form of the initiative; eleven other states permit initiatives only for local governmental units; and a national initiative process has been proposed.

Citizen groups have used the initiative process with increasing frequency in recent years because they have been unsuccessful in achieving some of their objectives through the legislative process. These groups, with names like People's Lobby, United Organization of Taxpayers, and Arizonans for Safe Energy, charge that state and local legislative bodies fail to act on important matters and are often dominated by special interests, particularly business. As a result, they contend that the initiative is the best method for open public discussion and timely resolution of important questions. They also have found the initiative an attractive alternative to lobbying.

Some business interests, including chambers of commerce and electric utility companies, that have been adversely affected by the increased use of the initiative have alleged abuses in the process. They feel that many initiatives are creating misleading and costly campaigns and that some proposals approved by voters have resulted in inferior
laws. They also contend that the process does not permit adequate opportunity for public or legislative review of initiative proposals prior to being placed on the ballot. Our society has been used to making decisions by methods that stress bargaining and compromise. In the legislative process, one interest group rarely obtains everything it wants; compromises are reached before laws are formulated. In the initiative process, however, a group either wins or loses everything, and there is less room for compromise. If we adopt this means of social decision-making, there will be a need to find some new way to accommodate one another, to reach compromises.

Since 1962, the State of California has had more initiatives qualified for the ballot and approved by the voters than any other state. Most of the initiative reform proposals have originated in California.

In 1977, Senator James Abourezk (D S.D.), proposed a constitutional amendment which would provide a nationwide initiative process. A number of prominent citizens, government officials, and academics testified in favor of the proposal during Congressional hearings. A private group, Initiative America, has formed to rally public and Congressional support for the proposal. During Senate hearings, supporters argued that a national initiative would produce greater public participation in federal law-making. In turn, the initiative would provide for timely resolution of important
and potentially divisive national issues. Opponents testified that a national initiative, in any form, would lead to control of the process by special interests, emotional campaigns, and the potential for a continuing coalition of voters to dominate use of the initiative process.

Among the deterrents to establishing a national initiative process are the costs of nationwide voting and the traditionally small turnout of voters, even for Presidential elections. In the foreseeable future, these impediments might be overcome by two developments: (1) decentralized electronic voting facilities; e.g., use of the two buttons on push-button telephones (* and #) to vote "yes" or "no"; and (2) the United States becoming an "on-line society;" i.e., common acceptance and general access to high technology instruments to meet personal needs. Initiatives conducted by such "on-line" voting procedures could lead to higher voting rates and possibly more people would inform themselves about public issues. In general, however, advanced voting technology would only make it easier to vote. Problems associated with drafting, reviewing and qualifying initiatives would remain.

The initiative process is very much in tune with the shift in this country that has been going on for a decade or two from a representative democracy to a participatory democracy. The key consideration in participatory democracy is to involve the people whose lives are affected by decisions in the process of reaching those decisions. Given the strength of
the initiative movement, it is reasonable to assume that people in the jurisdiction in question could vote on SPS receiving sites. National referenda could have dealt with such questions in the past as the Panama Canal Treaty and the commitment to land a man on the moon. Current candidates include the abortion issue and limitations on the federal budget. In the future we could conceivably vote on a commitment to SPS.

The Shift from an Industrial Society to an Information Society

Underlying all the foregoing is the profound shift in this society from an industrial society to an information society. What is occurring can be summarized by the changes in occupation since 1950. As a function of a percentage of the labor force, the industrial sector crested that year with 65 percent. That percentage is now down to about 35. In the meantime, information occupations have gone from 15 percent to more than 50 percent during the same period. For those who have been talking about our moving into a "service society," let it be noted that service occupations--absent information--have remained at a flat 6 or 7 percent for a

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couple of decades. It has become clear that the post-industrial society is an information society—and it is fast upon us. The implications are stunning.

The strategic resource for an industrial society was capital; the strategic resource for an information society is knowledge and data, which is not only renewable, but self-generating.

In the post-industrial information society, as Daniel Bell has pointed out, man inter-reacting with man is the primary game for the first time in history (in pre-industrial society, it was man's inter-reactions with the elements; in the industrial society, man's inter-reaction with fabricated nature). Mass instrumentalities that grew out of the development of the industrial society (man inter-reacting with fabricated nature) are less and less appropriate to a society that is undergoing a metamorphosis to an information society (man inter-reacting with man). That is why labor unions are on a steep decline, as well as national political parties, department stores and supermarkets, and network television.

The emerging information society creates more of an argument to tie SPS with a communications system.

**High Tech/High Touch**

The American society is moving in the dual directions of high technology/high touch. The proposition is that the introduction of each new technology is necessarily accompanied by a compensating human response -- or the new technology is rejected.
The introduction and development of television in the United States was accompanied by, first, the group therapy movement, which, in turn, led to the personal growth movement and the human potential movement. The human potential movement is a direct result of television -- a counterbalancing -- that would not have occurred save for the introduction of the high technology of television.

The high technology of chemistry that developed the pill resulted in a virtual revolution in life styles. Heart transplants and brain scanners have resulted in a new interest in the family doctor and neighborhood clinics.

Jet airplanes have only led to more meetings. Another good example of high tech/high touch is CB radio. The high technology of radio is used to get in touch with another human being -- anyone. The high technology of word processing in our offices has initiated a revival of handwritten notes and letters.

The high technology of life-sustaining equipment in our hospitals (dramatized by the Karen Ann Quinlan case) has led to a concern for the quality of death and the hospice movement.

If, when a new high technology is introduced, a high touch counterbalance is not provided or created by the people effected, the high technology is rejected. This accounts for the universal failure to date of electronic funds transfer in banking. It may have a great deal to do with the resistance to nuclear plants: no high touch. What is to counter-
balance the extraordinary high technology of a Satellite Power System?

Further Study

1. Given the increased emphasis on jurisdictional diversity, and the interest in increased options in energy fuels, where could SPS fit into the mix? (Avoiding an either/or trap of putting SPS as a choice against individual solar units for houses, both could be favored.)

2. Given the increasing geographic diversity in the country, what should be the SPS strategy in connection with receiving sites? How can receptive areas be identified?

3. How does SPS relate to appropriate scale? In the Lovin's lexicon SPS is hard technology because of the scale of its collection and distribution, but soft technology in terms of its solar source of energy. Can SPS be complimentary to solar collection units in individual houses, perhaps emphasizing the supplying of energy to commerce and industry where a different scale is appropriate.

4. With nuclear development on the shelf, there is a push for more coal as energy fuel, an emphasis just at a time when environmental health is becoming a powerful public issue and medical theories are moving more and more in the direction of linking cancer to such environmental causes as the pollutants from combusted coal. Coal equals cancer, in short. What are the implications for SPS of a possible recession on long-term reliance on nuclear and coal?
5. It may become fashionable within the next six months to say there is no real energy crisis because of the newly reassessed oil reserves in Mexico (and Iraq), the glut of Alaskan oil in California (with the prospect of selling oil to Japan), and the thermonuclear fusion progress at Princeton, among others. What implications for SPS?

6. A review of the history of opposition to nuclear development would be useful. Nuclear and SPS are similar in many ways (very high technology, very highly capital intensive, centralized), albeit that SPS has the extraordinary advantage of having the sun as the energy source. Initially, nuclear was opposed because of dangers of radioactivity (microwaves with SPS), then waste transportation and storage, followed by very sophisticated cost-effectiveness arguments, but in the end, nuclear was halted (by the utilities themselves) because it cost too much. What are the lessons to be drawn?
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