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South Carolina House of Representatives

# Legislative Update & Research Reports

Ramon Schwartz, Jr., Speaker of the House

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# Legislative Update

## Summary of R.347--Accommodations Tax With Projected Revenues for Counties \*

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### Background

This act establishes a 2% additional statewide sales tax on gross proceeds from rental of transient accommodations, including campgrounds. The accommodations tax cannot be increased from 2% without approval of two thirds of the membership of each House of the General Assembly. Procedures for collection of the tax are to be established by the S.C. Tax Commission; procedures for the distribution of the tax revenues are to be established by the State Treasurer. The act sets up a rather complicated formula for distributing proceeds from the tax, less administrative costs, back to local governments based on actual collections for a county area. For the purposes of this act, a "county area" consists of a county and all municipalities within that county. The act also sets up another formula regulating the uses of the proceeds. Counties and municipalities receiving revenue from the accommodations tax, except those county areas collecting less than \$50,000, must appoint an advisory board to recommend ways to spend the money.

### I. County Areas Collecting Less than \$50,000

A. DISTRIBUTION FORMULA. Each county area is guaranteed a minimum of \$50,000, so that any county area collecting less than that amount will receive a subsidy for the difference between the actual collections and the minimum guaranteed. The money will be distributed as follows:

1. Actual collections from the county area will be remitted quarterly to the municipality or county in which they are collected.
2. The subsidy will be distributed to eligible units within the county area according to population.

In any fiscal year that the total statewide collections exceed FY 1984 collections, the guaranteed minimum will rise to \$87,500 (see note \*\* below), with subsidies adjusted accordingly.

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\* This summary was provided by Dave Murday, Director of Research for the Medical, Military, Public & Municipal Affairs Committee

B. RESTRICTIONS ON USE OF FUNDS. In counties collecting less than \$50,000, there are no restrictions on the use of funds.

II. County Areas Collecting Between \$50,000 and \$400,000

A. DISTRIBUTION FORMULA. County areas which on their own collect more than \$50,000 but less than \$400,000 will automatically receive a \$15,000 subsidy. The money will be distributed as follows:

1. Actual collections from the county areas will be remitted quarterly to the municipality or county in which they are collected.
2. The subsidy will be distributed to eligible units within the county area according to population.

In any fiscal year that total statewide collections exceed FY 1984 collections, the subsidy for these county areas will rise to \$26,250 (see NOTE \*\* below).

B. RESTRICTIONS ON USE OF FUNDS. Actual collections, item A(1) above, must be allocated in the following manner:

1. The first \$25,000 must be allocated to the general fund of the municipality or county, with no restrictions attached.
2. Of the remaining balance:
  - a) 25% must be used for advertising and promotion of tourism, the money to be managed by a nonprofit tourism promotion group subject to the approval of the municipal or county governing body.

b) 75% must be used for tourism related expenditures, which can include fire and police protection, capital expenditures, relevant debt service, and other areas. As the legislation states: "The term 'tourism-related expenditures' includes the following types of expenditures: advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity; promotion of the arts and cultural events; construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of utilities for such facilities; the criminal justice system, law enforcement, fire protection, solid waste collection and health facilities when required to serve tourists and tourists facilities; public facilities such as rest rooms, dressing rooms, parks and parking lots; tourist shuttle transportation; control and repair of waterfront erosion; and operating visitor information centers."

However, where practical, county councils must make these expenditures primarily in the geographical area of the county in which the tax was collected.

The subsidy which was distributed on a per capita basis must be used for the purposes described in 2(a) and 2(b) above.

III. County Areas Collecting More Than \$400,000

A. DISTRIBUTION FORMULA. Counties collecting more than \$400,000 will have a percentage of the amount over \$400,000 withheld to finance the subsidies described earlier for county areas collecting less than \$50,000 or between \$50,000 and \$400,000. The amount withheld will be in proportion to actual collections. All of the proceeds of the tax, less the percentage withheld, will be remitted to the county or municipality in which it is collected.

B. RESTRICTIONS ON USE OF FUNDS. Proceeds from the tax which are remitted to the collecting municipality or county must be allocated in the following manner:

1. The first \$25,000 must be allocated to the general fund of the municipality or county, with no restrictions attached.
2. Of the remaining balance:
  - a) 25% must be used for advertising and promotion of tourism, the money to be managed by a nonprofit tourism promotion group subject to the approval of the municipal or county governing body.
  - b) 75% must be used for tourism related expenditures, which can include fire and police protection, capital expenditures, etc. (see above for language of the act). However, where practical, county councils must make these expenditures primarily in the geographical area of the county in which the tax was collected.

\*\* NOTE: The Senate amendment concerning those years in which revenues exceed the revenue for FY 1984-85 was not worded correctly. As the act is currently written, the figures provided are correct. However, the intent of the amendment was that for those years in which revenues exceed FY 1984-85 revenues, all subsidies would be increased by 75% of the percentage of revenue increase. For instance, if statewide collections increased 4%, subsidies would be increased by 75% of 4%, which is 3%. A proviso will be proposed for the Appropriations Bill to make the necessary changes to reflect legislative intent.

Projected Revenue Figures for Counties

A central question is how much money will flow back to the counties? The following figures are estimated by the Department of Parks, Recreation and Tourism; they are based on actual FY 1982 data. State Auditor Ed Vaughn has reviewed these figures and notes that they are probably on the conservative side, but are accurate enough to show the general magnitude of funds involved.

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As illustration of this, compare the total figures projected by PRT: \$8,065,769--and the revenue increase projected by the act's fiscal impact statement: \$8,599,996. The figures below, therefore, are probably on the low side.

It should also be noted that the funds below represent money flowing to the counties. Distribution of funds within a county, specifically to municipalities, is not addressed here.

This data is gathered from estimates provided by PRT of potential annual revenues that would be generated and available for use by South Carolina "county areas" from the 2% accommodations tax on hotels, motels and campground rentals.

<u>COUNTY</u>	<u>PROJECTED REVENUE</u>	<u>COUNTY</u>	<u>PROJECTED REVENUE</u>
Abbeville	\$ 50,000	Greenwood	\$ 66,758
Aiken	83,638	Hampton	50,000
Allendale	50,000	Horry	2,508,929
Anderson	100,111	Jasper	145,027
Bamberg	50,000	Kershaw	50,000
Barnwell	50,000	Lancaster	50,010
Beaufort	580,650	Laurens	50,000
Berkeley	67,135	Lee	50,000
Calhoun	50,000	Lexington	190,877
Charleston	634,479	McCormick	50,000
Cherokee	50,000	Marion	50,000
Chester	50,000	Marlboro	50,000
Chesterfield	50,000	Newberry	50,000
Clarendon	68,844	Oconee	50,000
Colleton	125,993	Orangeburg	169,000
Darlington	50,000	Pickens	99,262
Dillon	101,669	Richland	407,455
Dorchester	50,000	Saluda	50,000
Edgefield	50,000	Spartanburg	192,468
Fairfield	50,000	Sumter	99,593
Florence	400,000	Union	50,000
Georgetown	119,887	Williamsburg	50,000
Greenville	524,430	York	114,554

STATE TOTALS      \$ 8,065,769

Shrimp Seines and Cast Nets--  
Summaries and Background on Bills from Senate  
(S.890, S.897, S.898, S.900) \*

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Summaries

Four bills now under consideration by the Agriculture and Natural Resources Committee have engendered a large degree of attention. The bills, all dealing with recreational shrimping, are S.890, S.897, S.898 and S.900.

S.897 would establish a minimum mesh size of 1/2 inch (square mesh) for cast nets, to be effective in 1987. There presently is no minimum for these hand thrown nets. S.900 would increase the minimum mesh size from the present 1/2 inch to 5/8 inch (square mesh) for hand seines effective 1987. It would also prohibit the now legal attachment of a tail bag effective in 1985. S.890 would establish for the first time a maximum catch limit of not more than 5 gallons (approximately 30 pounds) of whole shrimp per person per day when using a cast net or hand seine. S.898 would prohibit the catching of shrimp for any purpose by cast net, seine or other net, except by drop or lift net, in baited waters. Present law prohibits only cast nets over bait for commercial purposes.

Background

The laws and regulations pertaining to seines and cast nets used for taking shrimp in the coastal waters of North Carolina, South Carolina, Georgia and Florida vary from state to state. Although all four require licenses and/or permits for the commercial use of such nets for the taking of food or bait shrimp, provisions as to mesh, size, catch limits and legal areas differ to one extent or another.

Generally, North Carolina and Georgia have more restrictive laws and regulations concerning shrimping for recreational or personal use with seines or cast nets than does South Carolina. Both North Carolina and Georgia, for example, have a five-eighths inch minimum mesh size on seines of a length capable of taking shrimp. North Carolina also has a catch limit of one hundred shrimp per person for cast nets in sanctuary areas never open to commercial shrimping (areas comparable to S.C.'s tidal creeks, estuaries, etc.). Georgia does not allow seines over 12 feet in sanctuary areas and also prohibits the use of cast nets in baited areas for either commercial or personal use. The state of Florida has few general restrictions

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\* This summary and background was provided by Hank Stallworth, Director of Research for the Agriculture & Natural Resources Committee.

on cast nets used for taking shrimp for bait, etc., but in most counties has considerably larger mesh size requirements on seines (1 or 1 1/4 inch square mesh) than does South Carolina. In addition, many areas of inside waters are closed to shrimping with seines or other devices. Florida also has a count law which prohibits the taking of small shrimp of less than 47 count, heads on, or 70 count, heads off, except as live bait, although law enforcement personnel from that state advise that this is generally not enforced for recreational shrimping.

Proponents of mesh size reductions stress the need to lower the number of juvenile shrimp being taken, as these shrimp are often too much trouble to head and are therefore wasted. The larger mesh sizes (1/2 inch for cast nets, 5/8 inch for hand seines) would allow the baby shrimp to escape, continue to grow and thus perhaps be recaptured at a larger, "edible" size. Opponents fear that their total catch will be so reduced that the significant effort that this recreation requires just will not be worth it. They also do not want to be forced to buy new nets. Proponents point to the 1987 effective date for the mesh size bills as a sufficient amount of lead time to allow most nets to wear out and need replacement.

With regard to the catch limitations, proponents point out that 5 gallons (20 quarts) is equal to about 30 pounds of shrimp, and that there are usually two or three people per boat. Since this is a per person, per day limit, two shrimpers would be allowed approximately 60 pounds, three shrimpers, approximately 90 pounds. Opponents generally recognize that this limit is larger than the usual recreational catch, but stress that law abiding sportsmen ought not be made lawbreakers for that once or twice a season exception when they are able to catch more. They add that if the point is to distinguish the true recreational shrimper from the commercial one masquerading as recreational, then the limit could be much higher and still be effective.

The prohibition of taking shrimp over bait seems to be less controversial. This may be because sportsmen already are accustomed to and approve of such prohibitions for other animals, i.e., doves, ducks, turkey, etc. Proponents point out that this practice was relatively unknown until it developed in Florida. When it was abolished in Florida, the commercial practitioners moved up to Georgia, which then prohibited it. Now they have moved into South Carolina to take advantage of the relative weakness of the present law here. Law enforcement personnel are becoming increasingly concerned over the amount of this activity taking place in our sanctuary waters.

# Through a Glass Darkly-- Looking Ahead to the Future

## Background

During the past two decades the word "futurist" has entered our language. Briefly put a "futurist" is a scientific prophet, someone who can use the evidence of the present to predict the future. John Naisbitt, one of the most acknowledged of futurists, states it in this fashion: "The most reliable way to anticipate the future is by understanding the present."

Views on our future range from the highly optimistic to the bleakly pessimistic. Will labrador retrievers with microchips do our grocery shopping in the years ahead? Or will we be living in the ruins of burnt out cities scrounging for sustenance?

## Energy

Worldwide energy use has increased greatly during the past decade as populations and use of machinery have grown. It is significant, however, that the world's oil consumption seems to have hit its peak and is actually declining.

The Worldwatch Institute published its State of the World in 1984 and noted that: "There is the distinct possibility that the 22.9 billion barrels of oil produced in 1979 will never again be matched. If so, historians looking back from the twenty-first century will almost certainly see that year as a hinge point in economic history, a year that signaled not only the eventual fading of the age of oil but the beginning of the post-petroleum age as well." (p. 36)

Why is oil consumption down? Three reasons account for the decline:

- 1) Greater efficiency in oil-using machinery, especially automobiles;
- 2) Realization by oil consumers that supplies are limited and must be conserved;
- 3) Increased reliance on alternative energy supplies.

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**SPECIAL REPORTS:** From time to time the House Research Office will provide members with SPECIAL REPORTS on topics of general interest and usefulness. This SPECIAL REPORT reviews the major currents in predicting the probable future of our society, especially in the Southeast and in South Carolina. Such a report has been requested by a number of House members. This review provides a broad brush approach towards the subject; the information and observations here can be adapted for use in a number of situations, especially school graduations, commencements and, in some cases, weddings.



Worldwatch notes that in 1979 oil consumption worldwide was 5.5 barrels per person. This figure had fallen to 4 barrels per person in 1983, and was projected to fall to 3 barrels by the turn of the century.

The decline in oil supplies will continue to be a problem, however. As a society we are moving away from the use of oil—but petroleum still touches all aspects of our lives. We use oil in industry, fabrics for clothing, packaging, even in agriculture and food production. The United States, western Europe and Japan are the greatest consumers of oil, but the so-called Third World nations are beginning to use petroleum extensively. Such change will not be easy. Once again to quote Worldwatch:

"Of all the resources that are being depleted, losses of oil and topsoil pose the greatest threats to economic progress and stability. With reserves of both being steadily depleted, the world is facing major economic adjustments that, at a minimum, will extend over several decades." (p. 8)

Just what do we mean by "major economic adjustments?" Some observers of the pessimistic hue see decline of our industry, massive unemployment in our workforce, and the unraveling of our entire society. Jeremy Rifkin, the glumest of the glum, writes in his book Entropy: "When we stop to consider the worldwide energy problems we already face—the shortages, the mushrooming prices, the accumulating pollution and wastes—it should become more than obvious that the nation and the world cannot meet the projected energy needs, regardless of how hard we try." (p.100)

The guiding process in all of this, Rifkin says, is entropy--the transfer of energy and matter from an ordered state to a disordered state, in short, the winding-down of the universe. Mr. Rifkin sees a world that, simply put, is running out of energy and running into trouble. Other observers are not so sure.

Alternative energy sources are on the increase. At the end of 1983 there were 4,600 wind turbines in California alone. These turbines generated 300 megawatts of energy--enough to provide electricity for 120,000 persons. Admittedly this amount is small compared to total demand, but it is a start.

Geothermal technology converts the heat inside the earth into usable energy. Such technology is especially feasible in areas where volcanoes are active, since the heat is so much closer to the surface. Italy leads the world with 41 power plants using geothermal energy; the United States has 24 plants, and the Philippines--often regarded as a "poor, Third World" nation, has 14. All in all there are currently 135 geothermal power plants providing 3,188 megawatts of energy for use.

Solar power is probably the most well known of alternative energy sources. Solar power can be used for individual homes or for entire communities. Mr. Rifkin, the eternal pessimist, notes darkly that even solar power is limited in supply: 3 or 4 billion years or so. For the interim, however, solar power is becoming increasingly important, especially to developed nations. One major problem is the high costs associated in capturing, transforming and transporting solar energy. Sunlight may be free, but changing it into electrical power can be costly.

The European Economic Community and individual European countries are developing 20 photovoltaic projects. Italy's 1,150-kilowatt Delphos project was the world's largest operating plant in 1983. The world's twelve largest photovoltaic projects range from 200-kilowatts to 100,000-kilowatts. The largest is in California and will be operated by the Sacramento Municipal Utility Company. Other countries rapidly developing solar power include Japan, Saudi Arabia and West Germany.

So alternative power sources are available. The question is—how soon can they come on line? Here the outlook is not so sanguine. It takes years to plan, finance, build and operate these facilities. At a minimum 7 to 10 years would be required to begin operation of really major facilities—those capable of serving 50,000 persons or more. Obviously this is going to create gigantic problems in our more heavily populated areas, such as the urban northeast or southern California.

For the rest of this century and for at least two decades into the next our nation and the world will be leaving an oil-based economy and moving into an alternative energy economy. Some aspects of our lives will be easier to change than others. Individual houses, small businesses and smaller communities, for example, can adjust fairly rapidly. Large buildings, large urban areas and heavy industry will require much more time.

And then there is the automobile. Despite efforts to mass produce electric cars or solar powered cars, it seems clear that the internal combustion engine, as we know it, is likely to remain intact. The use of "on-board" computers to regulate fuel flow, smaller sizes and lighter materials will make our cars more fuel efficient. This process has already begun to take place.

In 1975 the average weight of a new car in this country was 4,058 pounds; the average car got 14.7 miles to a gallon. By 1982 the average new car weighed 3,001 pounds and got 24.6 miles to the gallon. In 1975 most cars (72%) had 8 cylinder engines; in 1982 8 cylinder cars were down to 27% of the total. An amazing 41% of all new American-made cars had only 4 cylinder engines.

At the same time our cars have gotten smaller. In 1970 37% of cars could be called "small"—that is, subcompacts, compacts and imports. By 1982 62% of the cars sold were small cars. These cars were getting better mileage—and that will continue. The Renault auto company plans to have a vehicle on the market by 1985 that will get 80 miles to a gallon on the highway.

Smaller, lighter, more fuel efficient—the automobile will remain with us for some time. It will, unfortunately, continue to be the source of a great many problems: air pollution, needs for the infrastructure of roads and highways, use of valuable farmland for highways. Mass transportation in our larger cities is becoming more and more essential.

Other countries have shown that the car is not a strictly necessary part of life. Let us turn once again to Worldwatch's State of the World. A survey was made of the twenty most populous countries in the world in 1981 to determine the number of persons compared to number of cars.

In the United States there were 2 persons to every car. In West Germany, France and Italy there were 3 people to every car. In the United Kingdom and Japan there were 4 persons and 5 persons for each car, respectively. After that the numbers begin to jump.

Brazil has 16 persons for each car; Mexico has 21 persons per car. The Soviet Union can put cosmonauts into space but has only one car for every 33 persons. India has 768 persons for each car, while Bangladesh has 4,227 persons per car. But it is China which leads us all: 18,137 persons for every one car.

This is not necessarily because China is a backwards country. Simply put, the Chinese cannot afford the luxury of individual family cars. They cannot spare the farm land to build paved roads and super highways; they cannot turn their factories to automobile production when they are straining to feed, clothe and house their people.

Quite obviously we in the United States have become dependent on the automobile. We have, in many ways, built our lives around the car and the highway. But this was not always the case, and it will not always continue in the future. By the end of this century we will still be driving cars, but they will be different from the ones we have known.

### Environment

Energy and the environment are, of course, closely related. Many of our environmental problems are basically energy problems—for example, acid rain caused by industrial pollutants. The environmental issue also touches upon such diverse aspects as food, shelter and the size of our population. Only a rapid overview can be presented here.

The world is losing an estimated 23 billion tons of soil from its croplands each year--23 billion tons that is not being replaced through natural processes. The United States is believed to lose upwards of 1,500 million tons of topsoil annually, with depressing effect on our nation's present and future agricultural base. As Worldwatch notes: "Soil once used in the Midwest to grow corn now clogs the Mississippi waterways." (p. 67)

A number of factors contribute to soil erosion, but chief among them are damaging tilling techniques, non-rotation of crops, and not allowing land to "rest" through fallow periods. Behind all of these is the need to produce more food, more quickly, for more people. Because of the population increase we are literally working our soil barren.

Techniques are available to reduce topsoil loss. Minimum tillage practices is one of the best. In traditional tillage a plow is used to turn over all the soil when preparing it for planting. With minimum tillage this is not done; rather, tools are used to "drill" seeds through unplowed or lightly-plowed land. Herbicides take the place of mechanical cultivators.

Crop rotation is another method of preserving the vitality of our land. Planting the same crop year after year is practiced primarily because of economic benefits. American agriculture, in particular, has often chosen to risk soil depletion by excessive one-crop planting. Chemical fertilizers have been relied upon to restore the fertility of the soil. Now we are learning that these very fertilizers can be dangerous pollutants for our streams and rivers. The time-honored methods of rotation will make a come back in the years ahead.

For land that is heavily damaged and has lost much of its topsoil, the answer is to let it lie fallow and rebuild itself. This may be difficult, especially as the need for food increases. On the other hand, Worldwatch points to long-range effects of soil loss: "Over the longer term, soil erosions will lead to higher food prices, hunger, and quite possibly persistent pockets of famine. Although the world economy has weathered a severalfold increase in the price of oil over the past decade, it is not well equipped to cope with even modest rises in the price of food." (p. 73)

A world cooperative agricultural order will gradually emerge during the rest of this century. Abundant nations, such as the United States, will increasingly share their resources with the heavily-populated but less-advanced nations. The stress on our internal resources could be considerable.

### Employment

Where will the jobs be in the future? The U.S. Department of Commerce, surveying the southeast region of the country, predicts that traditional occupations such as manufacturing, wholesale and

retail trade, and services will continue to employ a substantial number of persons. The S.C. Employment Security Commission supports these predictions with its own view that in the late 1980's 23% of the State workforce will be in manufacturing, 31% will be in trade, and 27% will be in services.

But will jobs in the future really be the same as the ones we know today? Many futurists doubt it, and one of the most persuasive is John Naisbitt, author of the widely-acclaimed Megatrends. He sees us as moving from an industrial society to an information society, one in which knowledge is really power--economic power.

"Farmer, laborer, clerk: That's a brief history of the United States," Naisbitt remarks (p. 14). We are busy thinking up new information--about computers, space ships, biotechnical revolutions--and then shifting this information around, transferring it to new uses, using it as currency itself. Information is where the jobs are. Naisbitt cites a case in point:

"Massachusetts' Institute of Technology's David Birch has demonstrated that of the 19 million new jobs created in the United States during the 1970's--more than ever before in our history--only 5 percent were in manufacturing and only 11 percent in the goods-producing sector as a whole. Almost 90 percent then--17 million new jobs--were not in the goods-producing sector. As Birch says, 'We are working ourselves out of the manufacturing business and into the thinking business.'" (p. 17)

Perhaps, but it won't happen overnight, especially in South Carolina. Silicon Valley is not about to appear somewhere in the Piedmont or Midlands. As the Employment Security Commission predicted, manufacturing, trade and services will continue to be the mainstays of the State's economy. However, these jobs will move away rapidly from our traditional notions of them.

Computers are the most visible sign that this is so. Sales personnel are already using computer terminals to take stock, inventory, check prices and place orders. Most of us might simply say, "Yes, it saves time." Actually it does much more than that. People are becoming accustomed to dealing with and exchanging information rather than goods. In manufacturing, especially textile manufacturing, sophisticated equipment will rapidly change people from textile workers to textile information managers.

For all of this, of course, we will need a more sophisticated, more educated, more highly developed work force. Interestingly enough, the trend is "back to the basics" in education. This trend is likely to continue in the years ahead, and probably grow even stronger. Basic skills, such as reading, writing and computation are the building blocks for more advanced knowledge. At the same time, "computer literacy" is relatively easily gained--and will become easier, not harder, as the technology advances. As one observer has noted: "Telling a computer to do something is easy; thinking up what you want to tell it is the difficult part." Helping students learn how to think will be the central concern of education for the rest of this century.

The World In the Balance

All our technological, agricultural, economic and personal advances will mean nothing if we destroy the planet in a nuclear holocaust. There are grim data which suggest that such could be the case.

In 1973 the nations of the world spend 474 billion dollars on the military. In 1983 the spending had risen to 663 billion dollars.

Military spending diverts money that might be spend in investment capital, in social service spending, or in personal income. In the Soviet Union (which spends as much or more than we do on the military) rubles go for weapons rather than food. Ironically enough the Soviets must depend on the United States for much of their grain supply.

Weapon systems are becoming increasingly complex and costly. The number of persons employed in military establishments tops 50 million persons--because we must include not only those who serve in the armed forces, but the workers, the scientists and others who stand behind them. It is estimated by Worldwatch that military use accounts for 23 percent of our total expenditure on science and technology, and that 22 percent of all the scientists in the world are working in military research. (p.206)

Most futurists do not foresee events continuing along this trend. The massive military establishments of the United States and the Soviet Union are costing more and more--and producing less and less. An adequate defense establishment is vital to national security--but who shall define "adequate?" In the end economic and political necessity will. Internal pressures will require a shift in economic emphasis. Both superpowers will strive their utmost to maintain maximum military spending, if only to keep up with each other. Still, such spending will have to be reduced or wreck the society the military might is supposed to protect.

Trade will also be a powerful incentive towards lessening military tensions. As Naisbitt points out in Megatrends: "If we get sufficiently interlaced economically, we will most probably not bomb each other off the face of the planet. For example, I suggest that we are so economically intertwined with Japan that if we have any problems with Japan today, we are going to work them out. I think the same will be true globally. We should welcome increased trade with the Soviet Union, all the developed nations, and the Third World, as world trade moves up closer to world peace." (p. 77)

Meanwhile, Back At Home...

For the immediate future the national debt is apparently going to be our major concern domestically. According to Wordwatch, the gross federal debt in 1950 was 257 billion dollars, or \$1,691 per capita. By 1984 the debt had grown to 1,606 billion dollars, or \$6,827 for every man, woman and child in the United States. The high national debt drives interest rates up,

making the money supply tighter. Investment capital, money for homes and cars, money for savings—all of these become increasingly difficult to obtain.

Reduction of the national debt is already regarded as an essential step to insure our continued economic well being. During the years to come in this decade, this nation will participate in a heated and often angry debate over how to reduce the national debt. The issue involves many of our most cherished values, from helping the needy and elderly to the proper role of government in the economic process. Even futurists cannot provide a clear answer to this perplexing problem.

In politics the rest of this century will see continued increase in the importance of state and local government as opposed to the national government. People can't see much good coming out of Washington, but they do feel in touch with their state and local officials. In addition "single issue politics" cause new coalitions to form, often in patterns unfamiliar to traditional party politics. Finally, "local" issues and "local initiatives" can often be applied best at the subnational level.

The population centers of the United States are shifting. The northeast, the Great Lakes area and middle America are losing people while the "Sunbelt" is gaining. Although much of the population gain is taking place in the Southeast, it is probably the Southwest that will score significant increases--in particular, Texas (if the water holds out).

Our entertainment and leisure time is almost certain to increase. How will we fill it? The television and the stereo will probably merge into a true "home entertainment center," possibly one which can interact with other centers in broadcast stations or in individual homes. We will be able to leave messages, want ads, and lost and found notes on the electronic "news screen." Hundreds of specialized stations will come into existence, catering even the smallest and most specialized of audiences. Reruns of "Gilligan's Island" will top the ten billion mark before the end of the century.

There has been a profound change in the American lifestyle regarding fitness and health. Not a "fad" or a "craze," this change has led millions of us to eat better, exercise more, and reduce our indulgence in harmful substances and practices. Much of our future entertainment will be physical activity such as jogging, playing games, or just walking and enjoying nature. In medicine this trend is reflected in the movement towards preventing disease, not waiting to cure it.

### Conclusion

It is a wise physician who can tell, at birth, how a child will grow up. Futurists, more bold than wise perhaps, have given some imaginative and often startling pictures of the days ahead. This report has summarized some of them.

Members of the House should feel free to use any part or parts of this report in preparing remarks and speeches. The topic of the future is often used in graduation and commencement addresses which occur during the spring; the House Research Office hopes that this review will be helpful to you.

References

Brown, Lester R., and others. State of the World, 1984. New York: W.W. Norton, 1984.

Published by the Worldwatch Institute this volume surveys conditions across the globe. Each chapter takes a particular topic to study. A large number of revealing statistics make the book useful for proving your points.

Naisbitt, John. Megatrends: Ten New Directions Transforming Our Lives, New York: Warner Communications, 1982.

A best-seller for weeks, this book was based on close observation of current events around the nation. A publisher of the quarterly Trend Report Naisbitt has counseled and advised AT&T, United Technologies, IBM and other companies and institutions.

Garreau, Joel. The Nine Nations of North America. New York: Avon, 1981.

Garreau argues that our present national boundaries in North America are illogical and unworkable. In their place he proposes nine nations based on economic and social conditions. An imaginative look at a possible future.

Rifkin, Jeremy. Entropy: A New World View. New York: Bantam, 1981.

Argues that we are quickly and inevitably running out of energy, time, resources and patience. When we try to make things better we only make them worse. What a bummer!

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