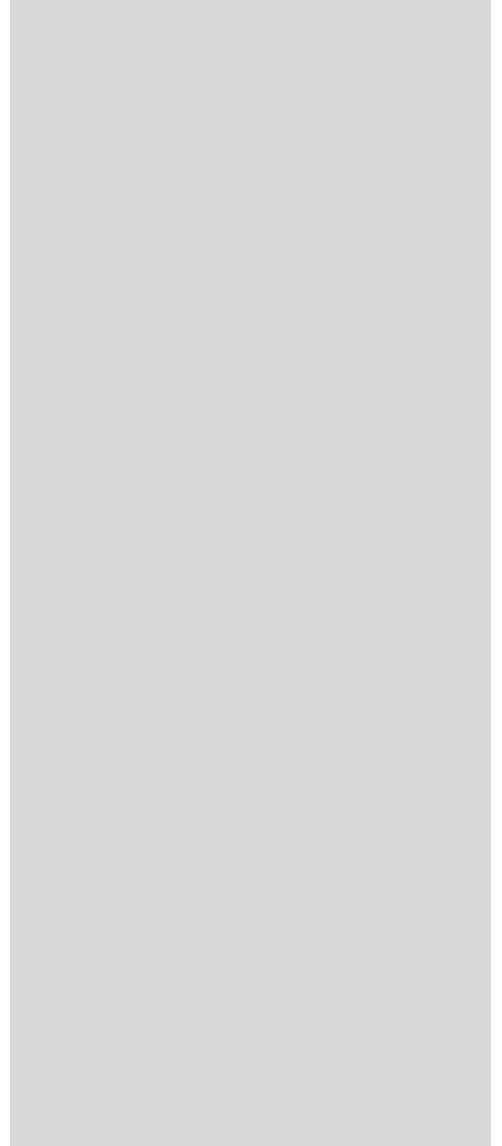


SYMPOSIUM WRAP-UP



The New California¹

Daniel R. Walters²

I want to congratulate Norm Pillsbury and the other organizers of this conference for arranging to have this controversy over the water pipeline erupt just as this conference was going on. This conference has been in the planning stages for a couple of years, and to have that all just kind of reach a climax right in the middle of this conference I think takes real talent. I have never seen a conference that was on the front page of the local newspaper before now, so I mean—wow, what a gift for publicity. Norm has a whole new career awaiting him. I know, it's all just a coincidence, but people in my business never believe they are coincidences. We always suspect there are hidden hands at work, but I think this controversy over the water pipeline is probably a good starting point for what I want to talk to you about today, which is to put the technical issues and environmental issues you have been discussing in some kind of larger context. I thought of several ways of doing that, but I decided that maybe one way would be to conduct a little question-and-answer session since this is kind of what I do for a living, but I'm going to question only myself and provide the answers, which will be very convenient.

We started out with this business of the water pipe, this 4-foot wide pipeline, going to come through the campus of Cal Poly as part of this project to bring water from the State aqueduct, the California Aqueduct near Kettleman City, through the valleys, over the mountains, and down into the Vandenberg Air Force Base/Santa Maria area. We know that this pipeline is coming through; we know that it threatens a very valuable stand of oak trees; now, how is it that this controversy came to pass? I think many times we look at these things; we think of them as just, well, there's this thing, there's this confrontation, and we've gotta do something about it. We rarely think about, you know, why do these things come to pass? What is going on to produce these kinds of conflicts? We are really talking about value conflicts, conflict between, in this case, delivering water and the preservation of a stand oak growth, oak trees.

Well, let's go back. Let's just conduct this little question-and-answer session, this little dialogue. Why is the Department of Water Resources building that pipeline? Because it has water users on the other end of the pipeline. Oh, why do they need the water? They need the water because the area in question, like so many areas of California, really like most of California, does not really generate enough water locally to support the population of the area. Why is that true? It's because the population of California is growing. Why is the population growing and why is it growing there? Well, that's the complicated answer. I just started from the top and went down; now I'm going to start from the bottom and go up, just like the water line is being built from both ends, and we'll meet in the middle. What's happening in California? We are producing these value conflicts because California is experiencing change on a massive scale. Now, one thing about California is always true; it's always changing. That's the one constant about this state. Our society changes; our economy changes; our culture changes; sometimes even our politics change, although not as much as other times. But, the rate of that change is sometimes more and sometimes less. We find ourselves in California during this period in the latter decades of the 20th century, in a particularly volatile, accelerated state of change that is occurring on several levels simultaneously. There are a multitude of specific trends that are identifiable in

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California, but I think there are three big ones. Almost everything else is a subset of the three big trends that are happening, and they themselves are somewhat intertwined with one another.

The first of those trends is that the economy of this State is undergoing a massive structural change. In its first century, it was an agrarian state for the most part with a resource-based economy. Its economy depended on extracting materials out of the soil to one degree or another, whether it was oil or agricultural products or timber or whatever. That changed very dramatically with the onset of World War II. It had started to change already, but World War II accelerated that and made the change complete from a resource-based economy into an industrial economy, an economy that took raw materials and made things out of them, first for the emergency of war; then secondly, for civilian markets after the war. There was a great period of very rapid, massive industrialization in California beginning roughly in 1941 and going on for about a generation until roughly the mid-1960's when it came to a plateau stage. And during that period, hundreds of industrial plants were developed for making automobiles and airplanes, building ships, refining oil, and processing food products. Anything that you could imagine in terms of industrial products was built in California, both to serve the markets here and elsewhere; and as I said, that kind of plateaued out in the 1960's for a variety of reasons having to do with the development of the global economy, and ever since then, California has been de-industrializing. The most recent recession that we have experienced in this decade was really, if you think of it in global terms, a normal cyclical recession overlaid by the down-sizing of the last great industrial sector of California, the Aerospace Industry. It was the combination of a cyclical recession and a very dramatic multibillion dollar cutback in Pentagon spending. We were, after all, the arsenal of the Cold War.

It was a combination of those things that produced such a severe recession during the first part of this decade, but it was a continuum of this de-industrialization or an economic conversion process that California has been undergoing for perhaps 20 to 30 years; and that is the conversion from an industrial economy to a post-industrial economy rooted in trade, services, entertainment, and communications. I could cite a lot of data but there are a couple of salient facts. As Aerospace spending and military spending decreased in California down to below the \$50-billion-a-year mark from a high of \$65 billion, health care has emerged as California's largest single industry. You probably had not thought of that, but health care is now a \$100-billion-a-year industry in California. It is twice as big as military spending, Aerospace, and that sort of thing. So that's one indication of the shift to a service-based economy and there are many others. There has been an 85 percent decline in the number of Californians working in tire factories over the past couple of decades as, one by one, every tire factory in California, save one, has been shut down. One tire factory in southern California is now a shopping center. Another one up by Salinas is some kind of an office industrial park, but there is only one tire factory left operating in California near Hanford. More cars, more tires—but fewer and fewer of those tires are being built in California. But California has had a 100 percent increase in the number of people working in hotels during that same period. So it illustrates again the shift from an industrial to a service or post-industrial economy. In 1980, there were 3.4 million Californians working in the traditional occupations in California—manufacturing and utilities, and so forth. In 1995, there were still 3.4 million Californians working in those areas. In other words, all the growth in employment in California in the past 15 years (even despite the recession, about a 35 percent growth in employment) has been in the new, emerging economy, this post-industrial economy. That actually understates the conversion because even within manufacturing, there has been a shift from heavier, basic manufacturing into high-tech forms of manufacturing. The motion

picture industry has tripled its employment in the past 15 years. To illustrate the conversion even further, the motion picture industry now employs more people than Aerospace in southern California.

So, the first big thing is a massive and economic conversion to a post-industrial economy. The second big thing that is happening in California is population growth. Population growth has always occurred in California. But the rate of growth has gone up and down. We have been, in recent years, in the period of another great surge of population, driven primarily by foreign immigration that began in California in massive numbers in the late 1970's. Foreign immigration, followed by a baby boom that began in the 1980's, mostly among new immigrant groups, resulted in a tremendous level of population growth in 1980: 6 million new Californians in the 1980's by birth or immigration from a 24 million population to a 30 million population in 10 years. That is a very high rate of population growth. It puts us among the leaders of all the states on a base that is larger. That 6 million new Californians alone was a quarter of all the population growth that occurred in the United States during that period, and to put it in even more dramatic terms, that growth alone in the 1980's, all by itself, would have been the 13th most populous state in the United States, more populous than Virginia or Massachusetts. Now in the 1990's, that slowed down a bit, mostly because of the economy, because we started spurting to get an outflow of population to other states instead of a new inflow. But the two major factors of population growth in the 1980's remain just as strong in the 1990's, i.e., 300,000 foreign immigrants a year and babies. A tremendous, continual baby boom. About 600,000 babies are born in California every year, and only about 200,000 people die. So that alone produces nearly 400,000 new Californians every year. We have the second highest birthrate of any state in the United States, second only to Utah, where it is a matter of religious conviction. We also have the highest rate of teenage pregnancy of any state in the United States. Utah has the lowest rate of teenage pregnancy of any state in the United States. So we have this incredible baby boom going on; we have a continuing high flow of foreign immigration. Those two factors alone, even factoring in deaths, accounts for 700,000 new Californians every year. Now during the early part of this decade, some outflows to other states actually reached more than 200,000 a year at one point. That has now evened out or leveled off as the economy has improved, and the expectation is that we will start getting a net flow into California in the latter part of the 1990's. Our population growth will probably not reach 6 million in the 1990's as it did in the 1980's, but it will be at least 5 million, more likely 5.5 million. And the Census Bureau estimates that, on average, California can expect to add 6 million to its population every decade well into the 21st century. So we were 24 million, and now we're 32, and we're going to be 35 or 36 by the end of this decade, and then we're going to be 42, and then we're going to be 48; then we're going to be 54, and then we're going to be 60, and so on.

One of the issues that should face California is: Do we want this population growth, and if we don't want it, what can we do about it? It's not a simple matter at all.

The third major thing that is happening in California is cultural change, and it is implied by the second, high birthrate among recent immigrant groups which produces cultural change on a massive scale. In 1970, three-fourths of Californians were non-Latino whites or what I'll call Anglos, although some people don't like that word—it's a nice, little short word. Three-fourths of Californians were Anglos in 1970. I just checked with the State demographers a couple of days ago—as of today, it's 53 percent. It was 57 percent in the 1990 census; it is 53 percent today and will fall below 50 percent some time later in this decade, next year, perhaps, or the year after. At the same time, the Latino population has grown to about 30 percent; the Asian population to well over 10 percent; the black population remains right about 7 percent. That's the most gross terms of ethnic or cultural change, and within that are hundreds of specific

nationalities and languages and cultural backgrounds. There are 110 languages spoken in Los Angeles schools today. And everything you need to know about California is contained in this one observation, that in the middle of Los Angeles there is a kosher burrito stand. Actually, there may be more than one kosher burrito stand, but the one I'm familiar with is operated by a gentleman from Korea. As Dorothy once said to Toto: "We're not in Kansas anymore." This is as about as far removed from Kansas as you are likely to find. Seriously, this is the most complex society in the history of humankind, on the face of this earth and history of humankind. No other time do people come together and try to live in some sort of reasonable harmony, without killing each other, and the jury's still out as to whether we're going to succeed in that endeavor.

Those are the Three Big Things. You put those together—population growth, economic change, and cultural change—and it produces myriad specific issues and trend lines. For example, and this starts getting into the specific reason of why that water needed to go to Santa Maria or why it's wanted in Santa Maria, at least, and therefore why the issue of the threat to the oaks that exist on the Cal Poly Campus. One of the impacts of having a post-industrial economy is that jobs are portable. They no longer need to be on seaports, on railheads, and industrial areas. Jobs can be developed or moved any place in the new economy, and they are being developed and moved any place in the new economy. Just put that satellite dish on the roof, and you're in business. Until recently, I was a member of the Blue Cross Health Care Plan, and I would get these little things from Blue Cross all the time, that said, well, you know, you can do this, then you pay this bill; you know, just a little paper work. Those notices were generated in Grass Valley, northeast of Sacramento up in the Sierra Nevada foothills. Because it was just as easy for Blue Cross to have its claims processing center in Grass Valley as it would be to have it in San Francisco, and probably cheaper, and probably cheaper for their employees; probably easier lifestyles. One of the salient facts about California in the 1990's and beyond is the dispersal of the economy throughout the outlying urban fringes and sometimes beyond. That has also pulled people out to those urban fringes and beyond. The great story of California is the shift of population from the coastal metropolitan areas into formerly rural areas, mostly but not exclusively in the interior valleys; certainly along the Central Coast is not an interior valley. Areas that once considered themselves rural now are becoming population and job centers with the underlying engine of inexorable population growth driving them. Actually, it is a two-pronged process, as near as I can figure. Immigration, foreign immigration, and the birth phenomena are primarily a central city or metropolitan phenomena, but there is an offsetting flight, a white flight for the most part, if you will, out of the metropolitan areas into these new growth centers. These "edge cities," as some people call them, or "Exurbia" as others have termed them. I'll give you a couple of examples, and if you look at the pattern of growth in California, if you take a map that shows where the high growth areas are, county by county in the state, you see a certain pattern, both in jobs and in population. For example, while the state as a whole was growing by 25 percent in the 1980's, Riverside County was growing three times as fast. That's 76 percent population growth in 10 years, and over the past 15 years, it has grown 107 percent in population. At the same time, it grew 134 percent in jobs. So, there is clearly a shift of employment and people from the metropolitan coastal cities into these formerly rural valleys because jobs are portable. That produces in itself myriad sub-issues—transportation, education, how do you cope with school children, how do you cope with the commute patterns? We have doubled the vehicle miles of personal vehicle travel in California in the past 20 years. We have added 7 percent to the highway lane miles in the past 20 years. If you wondered why you are in traffic jams, now and then, that is why. We add anywhere from 300 to 500

vehicles to our roads and streets and highways every 24 hours, including all those that crashed, burned, or were demolished in Los Angeles the night before. In other words, a net increase. We Californians buy a million new cars every year, a million new cars. That itself is a \$20-billion-a-year industry, just buying new cars. Education—we need to be building one school every 24 hours in California to keep pace with growth in enrollment, one 20-classroom school every 24 hours, 365 days a year, ad infinitum, as far as you can envision into the future. Merely coping with the baby boom of the '80s, there's a school boom in the '90s, and there will be a college boom of the late '90s, all into the 21st century; "Tidal Wave II," college people are talking about. Just coping with enrollment growth in the schools costs the taxpayers of California a half a billion dollars more every year. That's just the growth; that's not any kind of cost of living raise, that's mainly as growth.

So with population growth and economic change come political issues and changing development patterns—all these sorts of things—which create conflicts of values. The political system is supposed to be the means by which those conflicts of social values are resolved and consensus is identified and achieved, but the conflicts become more deep-seated with every passing year because society itself becomes more complex, and consensus is more elusive within the social complexity, and the political system finds itself somewhat paralyzed, becoming incapable of dealing with these massive changes that are going on. This is the unfortunate tendency of the political system, and I don't mean just the legislature and just the governor—the whole apparatus—the legislature, the governor, the county boards of supervisors, state agencies like the Department of Water Resources. It is interesting to note in this particular case, for example, what we have here are two state agencies fighting each other, so there is not even a consensus within the bosom of government so to speak. But the whole apparatus of political policy making finds itself paralyzed by the immensity of the change going on in California and the disconnection between that change and the politics as practiced on a day-to-day basis. Let me give you a couple of examples of how that works. I have mentioned that the cultural or ethnic makeup of California is changing very rapidly with the Anglo population scarcely over 50 percent and falling below 50 percent within a year, another year, 2 or 3. But of the people who will vote next Tuesday, well more than 80 percent will be non-Latino white or Anglo. So in ethnic terms alone there's a great disconnect between the voters and the population as a whole, and the gap is widening because the population is changing at a very rapid rate, and the voting block is not changing. It is not growing appreciably nor is it changing at anywhere near the rate of the population as a whole, so the disconnect, the characteristic gap, is increasing.

So even if you had a consensus of social values, it is not necessarily true that it would translate into a consensus of political values or political consensus over here, and ethnicity is only one of the disconnects. Voters in California are markedly older, whiter, and more affluent than the population as a whole. The median age of California voters is 50 and going up. And it is going up because the Anglo population is aging rapidly. The non-Anglo population of California is a young population—lots of babies, lots of young immigrants—with a median age in the lower 20's. The overall median age of California is about 31. The non-Anglo population is about 10 years younger than that. The Anglo population is almost 10 years older than that, has a median age in the upper 30's and going up, and the age curve will accelerate because the baby boomers are getting older. My brother turned 50 a couple of weeks ago. My brother-in-law turned 50 a couple of weeks ago. My wife is going to turn 50 this year. I'm going to another 50th birthday party tonight, and Bill Clinton has a 50th birthday some time this year. The baby boomers are getting old! That first generation of baby boomers, born in

1946, is turning 50 this year, and as the baby boom generation, age 30 to 50, gets older, the aging curve accelerates dramatically. And one impact of that is that the proportion of voters with children in the public schools has declined to about 20 percent. Only 20 percent of actual voters have children in public schools. So there is this disconnect between the social reality, a society that is changing and growing very dramatically, and the political reality, which is the electorate is neither growing nor changing very rapidly, and politicians are getting caught in this paradoxical dilemma. You deal with the needs, the wants, and the desires of the general population or you follow the dictates of an electorate that is not represented in that population, and we all have seen the results of that, whether we recognize it or not. We have seen spending on the schools. K-12 schools decline in relative terms from above the national average to 20 percent below the national average. We have seen that the population of the prison system increased seven-fold from 20,000 in 1980 to more than 140,000 today and will hit 150,000 before the year is out and will double again to 300,000 in 10 more years. Why? Twenty percent of the voters have children in public schools, but as we get older we become more fearful of crime and we demand ever harsher, and albeit—although we don't want to admit it—more expensive approaches to crime. We now spend four times as much on crime control in California—cops, prisons, parole agents, prosecutors, criminal courts, and so forth (\$15 billion)—as we spend on higher education. We spend half as much on crime as we spend on K-12 education, and the gap is narrowing very quickly. Why? Because that is what the voters want. We have these conflicts of values that come to the political realm for resolution, and the politicians are basically paralyzed. They do not know what to deal with. They know that all this stuff is going on over here, they are not that stupid. There are some who are not quite so sure. But they look at that, and they say, "yeah, we gotta do something about that; we gotta do something about that. You know, we can't just—we gotta just think about things like land use controls, and population issues, and some of these more deep-seated issues, but in the meanwhile, I got an election comin' up here pretty soon and I better deal with the reality that those voters are out there, and they want me to do certain things. They want low taxes; they want a lot of money spent on crime control. And if I want to be reelected, I'll deal with that." And there's the disconnect between the social reality and the political reality.

And you say "What does all of this have to do with acorns and oak trees?" Well, it has a lot to do with it. Because the trends that I have outlined to you are not going away. The shifts of population into these interior areas where your oak trees are in such prominence continues. The highest and fastest growing areas of California in terms of populations are the areas in the Sierra Nevada foothills, in the hills surrounding the San Francisco Bay Area, and areas along the Central Coast—those are the areas that are growing in population. Those are the desirable areas to live in, and those are the areas people can live in now in great numbers because the economy is changing, and when they move into these areas they need amenities, or they want amenities at least. They want roads; they want schools; they want housing; they want shopping centers; they want water. And the guiding principle of the political apparatus to the extent there is any guiding principle of the political apparatus is basically to serve those demands. Politicians have this kind of view of themselves, you know, that they're the leaders, and we in the media, unfortunately, kind of reinforce that. We use the term political leaders, assembly leaders, senate leaders, and all this stuff. They are the people at the head of the parade, they think. The truth is they are not. The truth is that they are the people at the end of the parade. Social or economic drivers are creating issues that are left to the politicians to resolve. They are truly the people with the scoop shovels and the brooms at the end of the parade. They don't like to think of themselves that way, of course. But in reacting to the

population shifts, to the economic changes, under the best of circumstances, that's what they are. They are the people at the end of the parade. They are reacting; they are not getting ahead of the herd. Now the question is, of course, do we want them to get to the head of the herd, do we want them to be leaders, do we want to change any of these trends, and if we do want to change it, is it possible to change it? Is it possible to slow down the economy?

Yes, they say, well, the economy has been slow. Yes, it has been slow, but I want to tell you, the engine is starting to pick up, and the new economy is taking hold, and there are some dramatic things, and California is probably going to be hopping in the next 5 to 10 years. We exist at this place where North America and Latin America and the Pacific Rim all intersect with one another. We are at the crossroads of much of the world. That and the other factors we have going for us in California will produce the conditions for tremendous economic boom, and we are kind of casting off the old economy and embracing the new economy, and there's going to be a lot of things happening. Do we want that to happen? Do we want our population to continue to grow by 6 million people per decade? And if we don't, what can we do about it? Can we stop people from having babies? Can we stop people from coming here? How far are we willing to go toward an authoritarian state, to enforce some vision of a population growth. People in politics do not want to deal with those kind of fundamental issues. They will deal with the symptoms and stuff at the end of the parade, you know, whether we should put the water line here or put the water line there. But they are very reluctant to deal with these kind of more fundamental issues. Do we want to stop population growth? Do we want to slow population growth? Do you want to direct economic change? Do we want to try to redirect development back into the cities and prevent it from sprawling out into these interior valleys? Because every time you raise the issue that they are trying to deal with one of these trends, then that raises all sorts of instant political conflicts that politicians would rather not deal with. For example, you will hear environmentalists talk all the time about the environmental impact of this or that on the natural environment, on water quality, and on air quality, on land, on open space, and so forth. You rarely hear environmentalists talk about population control because if they started dealing with control of population growth, it puts them in conflict with other otherwise sympathetic groups on kind of the left end of the political spectrum. So, that's putting them in conflict with advocates for Latinos, for example, if you start talking about immigration controls and things like that or more aggressive birth control policies—all sorts of doors are opened and cans of worms are opened, that people would rather not talk about.

So do we want to do something about these trends? Do we? Or do we want to just deal with the instant impacts down the line when the bulldozers are standing there ready to tear up the trees at that moment, or do we want to go back to the roots of the things and start talking about why are so many people settling in the Santa Maria area? What are the economic and social and land use policies that create that condition, which then creates this condition? I guess that is where I have to leave it, with that question. That is the final question of this dialogue and is the one that I don't really have the answer to: do we really want to change these powerful trends that are coursing through California? Do we and our politicians—do we want our politicians to deal with this? Or will we be content simply to mitigate and deal with these issues at the other end of the pipeline when they come out as instant social and political conflicts? Maybe that's where I'm going to leave it. Think about the trees; think about the conditions that create the threats to the ancient oaks of California in the first place; think about whether you really want to do something about that. Thank you very much, folks.

