The Last Supper of the Dinosaurs:
Tyrannosaurus Rex meets Pegasaurus:

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I grew up in a small town in Central Florida called "DeLand." My grandfather was the town undertaker and also owned the town's main furniture store. He inherited both from his father, whose father before him had been one of the founders of the town, having moved to Florida to recover his health which had been lost while he was a Union Army prisoner in the notorious Confederate prison called Andersonville.

Anything we bought, we bought in one of the stores downtown, owned and run by our friends and neighbors.

Then, one day, a supermarket moved into a vacant lot on the edge of town. It covered an entire block and offered far more variety, at lower prices, than did the tiny stores downtown. But my grandfather refused to allow us to shop there. In fact, I did not set foot into that supermarket until my grandfather died, and I felt very guilty when I did.

By that time, however, there were supermarkets everywhere, and chainstores like Western Auto, Sears and Penny's. Many of the downtown stores were closed, or open only to give the owner something to do until he died. The ones that were operating had been sold and now were either just sandwich shoppes and bars, or places that sold souvenir cards and trinkets.

Like every other small town's "downtown," DeLand's was essentially dead by the 1980s, and, like most others is still trying to find some way to revitalize. But it seems hopeless.

Meanwhile the old supermarket I dared not enter has been turned into a branch of the local community college. There are now huge shopping malls, many miles away from downtown DeLand. The only way anyone can get there is by their own private transportation.

And all along the streets between downtown Deland and the newest, fanciest, grandest shopping sprawls are the tattered remains of what once were new, fancy and grand shopping malls, now entirely deserted save for one or two buildings in each mall that house the local welfare office, or a Salvation Army Outlet store, or the like.

And newer and grander malls are being planned.

When I was a boy, if anyone wanted to buy anything in the stores in downtown DeLand, you had two choices. You either paid cash and carry (MAYBE you could use a personal check; maybe not), OR you could purchase the item over time via what was called "layaway." You put some money up front as a down payment, the store took the item you wanted out of the display counter and put it in a back room for you, and you went down to the store every week and paid some more until you had paid the full amount and could take your purchase home.

Credit was rare, and rarely used. Only for the absolute essentials in an emergency, or for very expensive long-lasting items, like an automobile, a refrigerator, and of course, one's home.

My grandfather was a devout Southern Baptist, and therefore almost anything that was fun was sinful--dancing, certainly; playing cards, drinking, I couldn't go to the movies or watch a baseball game on Sunday. Fortunately, he thought it was OK to go to the beach on Sunday. But he put in the lowest depths of hell any thought of going into debt just to have something. If he couldn't pay for it entirely in cash, we didn't have it. So we didn't have lots of things, which was OK. I never felt deprived, though I guess I was. But so was most everybody else.

Then the chain stores began giving their best customers charge cards, while the small mom and pop stores either had to extend personal credit, or not compete. It was their inability to give consumer goods on credit that also helped kill most small stores downtown. By the time American Express and Diners Club came along, it was too late for many small shop owners. And those cards required you pay off the entire amount you owed each month anyway.

Oil companies like Esso, Sinclair, or Texaco, had credit cards, but you could only buy gas and oil with them, maybe tires.

Then, during the 1970s, Master Charge and Visa came along and the world of consumer credit took off, reaching a flood during the 1980s and 90s, and still roaring forward engulfing everything in its path in a mighty rampage of consumer consumption.

Without endless supplies of maxed-out credit cards, each saved at the last minute by ever-rising credit limits, malls would be as rare as chicken's teeth, or as empty.

There were billboards advertising things when I was a boy, but the biggest thrill when travelling was reading the Burma Shave Signs along the side of the roads (there were no Interstate Highways then), with one word or phrase on each sign spaced out over a quarter of a mile. I can remember one sequence which read: -- "Are your whiskers when you wake tougher than a two-bit steak? Try Burma Shave!"

Does anyone know what "two bits" is? Or just how tough a two-bit steak could be, in this era of genetically modified beef?

Newspapers had ads, and I was alive to hear the very first singing commercial on radio. It was for Pepsi Cola, and it enabled Pepsi to come from nowhere to compete against Coke: "Pepsi Cola hits the spot. Sixteen ounces, that’s a lot. Twice as much for your nickel too. Pepsi Cola is the drink for you. Nickel, nickel, nickel, nickel, Trickle, trickle, trickle, trickle, Nickel, nickel, nickel, nickel, Trickle, trick!"

Advertising was new and controversial when I was young. In fact, I even won a prize of $500 (real money back then) at my university for an essay I wrote on the effects of advertising on modern culture. Before the 20th Century, goods were too scarce to be advertised. All you had to do as a shop owner was to put up a notice that a new supply of bonnets had come in, and that would be enough. The ladies could come streaming in to buy them. And goods weren't laid out on open counters where anyone could touch, and perhaps steal, them. No. They were carefully protected behind glass and wood, with only a few samples put out on display.

Now advertising is as ubiquitous as air, and the most technically sophisticated and captivating part of our culture. People are more likely to leave their television set to go to the bathroom during the show than during a commercial. And it was of course TV that made advertising what it is today, just as it was TV, the automobile, advertising and the credit card that made shopping malls what they are today.

In the old days, almost everything that was sold in the downtown stores was locally grown or made. My grandmother, who was originally from Michigan, complained until her dying day that, while it was nice to have citrus fruits in the winter, she hated the scrawny Florida tomatoes, and yearned for the real Michigan tomatoes of her youth, available to her then, of course, only in the spring and summer. The few chainstores in the DeLand sold nationally-available goods. But almost everything sold was at least "Made in America".

Now the story is completely different. Very few goods are actually produced locally--most of the oranges eaten in DeLand come from Brazil, since the orange groves have all been chopped down to put up the endless succession of ever-grander shopping malls.

Now the story I have told about my old home town could be told almost everywhere in North America, and here in Hawaii as well. It is a story that can also be told worldwide--in Europe, Asia, Oceania, South America, everywhere--though North America remains the leading example.

But, you must be saying, when are you going to get to the future? While it was nice to reminisce for a bit about the past, what we want to know is, "What's next?" What is the future of shopping malls, in Hawaii?

Well, to tell you the truth, I don't know. No one does.

Neither I nor anyone else can tell you for sure what lies ahead.

I can do this, however, I can suggest some of the driving factors for change (and continuity), and then put them together into some alternative futures, for Hawaii and for shopping malls in Hawaii.

That is why I spent some time talking about the past. I tried to show how, in just my own life time, a convergence of novel or maturing factors created the contemporary shopping mall, and the contemporary world economy which surrounds and requires it.

So one thing we need to ask is, what might be the futures of the five factors I mentioned--advertising, consumer credit, the global economy and especially international trade, and transportation and communication technologies?

Will shopping malls continue to grow and sprawl and merge until the entire island, and the entire world, is one big shopping mall? That is a possible trajectory. Indeed, a very likely trajectory if supporting trends continue.

Global population continues to grow at an alarming, if slightly slowed, pace. There will be lots and lots of new people to feed, water, house, clothe, heal, entertain, and otherwise provide for--including provide jobs for--during the 21st Century.

Some years ago, the Greek architect and planner, Constantin Doxiadis, projected global population and global urban growth, and coined the now well-known word, "megalopolis" to describe what he foresaw as the future of human settlements. He has been right so far. From the air, it is hard to see where Montreal, Toronto, Boston, Providence, New York, Philadelphia, Baltimore, Washington, Richmond, Charlotte, Atlanta, Jacksonville, Orlando, Tampa, Miami leave off. Though there are some open spaces as you get further South (I urge you to find them and put up a mall), the entire East Coast of the US is, in effect and function, one big urban area. And it is spreading westward to meet Pittsburgh, Cleveland, Chicago, Milwaukee and south to Houston, Dallas--all one big megalopolis. Eventually, perhaps, all one big covered shopping mall--because that is something else that Doxiadis, and Buckminster Fuller, foresaw--

completely enclosed cities to protect them from the elements--now, the effects of global environmental change which Doxiadis and Fuller did NOT foresee.

Statistics show that in spite of the increase of golf, jogging, and sun-based tourism worldwide, most people in developed areas spend less and less time outdoors. We are becoming 21st Century cave dwellers, and the development of enclosed megamalls is clearly a major contributor towards this trend.

And everything I said about North America is true of the rest of the world--The Kanto and Kansai Plains in Japan, Korea, Southeast China, Singapore and Malaysia...you name it.

It is not too fanciful to imagine several huge regional domed megalopoli eventually becoming one huge domed global shopping center by the end of the 21st Century.

And with global warming, sealevel rise, ozone depletion and the rest, Oahu might be domed--or doomed--well before the end of the 21st Century

Or might all of this growth come to a crashing halt? Just as downtowns and earlier shopping centers are now deserted shells, so might that be the future of our current megamalls, with no newer, larger malls in their future?

That is also a highly plausible alternative future to the one I just presented, it seems to me. I already see, from the online statistics of your very own parent organization, the ICSC, that the trend in new malls is down nationally; that the heyday of building malls was the late 1970s with a marked upward spurt towards the end of the go-go 1980s. Since then, it has mainly been refurbishing old malls and not building new ones that has characterized the industry, as I understand it.

Will this be a continuing trend, or is it just a temporary fluke?

If it is a continuing, downward trend, what is the cause? Is it e-commerce? Perhaps it is, even though I read all sorts of brave reports on your webpages trying to comfort you in to believing that e-commerce will not seriously impact you. I shall consider that in a few minutes.

But I want to return now to something I discussed above, but left hanging. And that is the matter of consumer debt.

To the extent there is any public concern about debt in the US, it has focused for the most part on national debt. For the last half of the 20th Century, Americans were engaged in a political controversy about whether a large national debt was good or bad or indifferent.

It used to be that Democrats, Keynesians all, argued that it was OK for the government to engage in deficit spending during the time the economy was sagging, in order to jump start it again.

Republicans used to maintain that deficit spending was evil.

But then the Republicans elected that high-riding cowboy from the Golden West, Ronald Reagan, who, supporting economic concepts that George Bush senior at one time termed "voodoo economics," turned the US from being the number one creditor nation--the nation to whom the rest of the world was in debt--to the number one debtor nation--the nation which owes the most to other nations.

And Reagan did that within a two year span--from 1980, when he took over, to1983. And the US still is the world's leading debtor nation, though Japan may be taking over that distinction soon.

Of course, Clinton is trying to get you to believe that there are huge budget surpluses now and for the foreseeable future which, if applied properly, can erase the national debt by 2010, or some such date. Clinton even made a big show last week of paying down one billion dollars--of a 6 TRILLION dollar national debt--but as some Congressman said once upon a time, "a billion dollars here, a billion dollars there; before you know it you're talking real money."

So it is certainly the case that the discussion of the national debt occupies far more ink and oratory than does discussion of consumer debt.

But it is my contention that it is--and has been for 20 years--to consumer debt that people should turn their attention, because it suggests that most conventional economic beliefs and policies are myths if not outright lies.

No one, not even the richest person in the world, "earns" enough money through their labor, to enable them to buy everything they want. Everyone, from the richest to the poorest, has to borrow vast sums of money. The poorest, or at least the middle class, borrow the most, in relation to what they earn, or save.

Without this huge and growing bubble of consumer debt, we would have had a major economic depression in 1980, when Reagan took over, and in the mid 1990s, when the Asian Bubble burst.

Most Americans have a lower net worth than they did 15 years ago, when the greatest stock market rally in history began. The bottom two-fifths of households have lost about 80 percent of their average net worth. The middle fifth has lost about 11 percent. The richest 1 percent of America owns more wealth than the entire bottom 95 percent combined, and the inequality is increasing.

Thirty years ago, about 10 percent of American households were broke, with a net worth of zero or less. Fifteen years ago, the number was about 15 percent. Today the number is almost 20 percent.

Meanwhile, Americans continue reach the lowest rate of savings ever--month after month after month. Here are some quotes:

"The percentage of income that Americans were able to save (lowered) to two-tenths of a percent in June, the lowest level since the Government began keeping monthly statistics in 1959" (*New York Times*, August 4, 1998, p. c2). But on June 28, 1999, the government said the savings rate "fell to a record low of minus 1.2 percent" (*Honolulu Star Bulletin*, July 28, 1999). "By August (1999), the saving rate was minus 1.5 percent." (*Honolulu Star-Bulletin*, October 1, 1999, p. C1).

And as saving plummets to new depths, levels of consumer debt get higher and higher at the same time:

"Americans are carrying more debt than ever--about $1.3 trillion not including mortgages." " The average household credit card balance jumped 2.5% to $4,722 last year." (*Honolulu Advertiser*, October 7, 1999, p. B7)

Is it a coincidence that Congress just passed a law making it much harder for consumers to clear all debts by declaring bankruptcy? I don't think so. Will this new law make people less likely to use their cards and go bankrupt? I don’t think so.

Once upon a time it was possible to deduct the interest you paid on your credit cards from your income tax, like you do your mortgage. When that law was changed, I expected there to be a massive slowdown in consumer deficit spending. Silly me, thinking consumers were rational. If the change had any effect, it was temporary, and people happily charge ahead piling up debts and double-digit interest rates without a worry in the world.

My grandfather must be rolling in his grave.

Given the fact that our global economy sits on top of this tremendously fragile bubble of debt, anything that might slow or stagnate consumer deficit spending could result in catastrophe.

Global capitalism is the only game in town. When communism suddenly and unexpectedly collapsed at the end of the 1980s, only capitalism remained, and boy, did it take OFF! Nothing can stop it. There are no alternatives.

Yet from other points of view, many people, though perhaps not many of YOU, argue that capitalism, especially growing, global capitalism, is in fact not sustainable. It is not <u>economically</u> sustainable, because it is causing the huge gap between the super rich and everyone else which will provoke reaction, and perhaps revolution, in the future.

Moreover, hypergrowth-oriented capitalism is not <u>environmentally</u> sustainable, many people insist. We are eating and polluting the planet at a rate from which old Mother Earth cannot recover. If the masses don't revolt, the Earth may collapse, in either case bringing predatory capitalism, and certainly consumer-frenzied shopping malls, to an end.

Isn't this what "Seattle" was all about--meaning the thousands of people who showed up in that city a few months ago and brought the WTO conference to a screeching halt?

That was not a fluke. That was not a one-time event. That was the tip of a very big iceberg of popular and global discontent which allies the mom and pop, small-town shopkeepers of the world with blue collar labor unionists, with environmentalists, with patriots, Militiamen, the Religious Right, and advocates of Buy America. That is a LOT of people who, if united (as they were for a while in Seattle) can change history.

But will that happen? Who can say?

A third alternative future suggests that shopping malls might transform, as part of a general global transformation, from an aspect of industrial society, to a feature of the information society, and thence, in the twinkling of an eye, into a part of the performance society--the emerging economy not of goods, not even of information, but of icons, of virtuality, and of play?

In this future, e-commerce comes into its own as its wildest hypers are presently hyping.

I regret to tell you that I am among the hypers, not only as it impacts you, as retailers and mallers of America, but because the same forces that are potentially transforming you are clearly transforming me.

That is why I linked us together in the new title to my talk. We are both dinosaurs--struggling, surviving remnants of, I hope, a once noble past.

I have been online for many years. I was probably the first UH professor to experience the future when, in the mid 1970s, I was invited to participate in an experiment in electronic communication termed EIES--the Electronic Information Exchange System--set up by Professor Murray Turoff with a grant from the National Science Foundation. I used the very latest equipment--a Texas Instrument terminal which had absolutely no memory--not a single K. If I wanted a record of what I wrote, or what was written to me, I had to "echo" it out on an attached printer. But the terminal did permit me to access, via an acoustic coupler, a long distance phone line which connected me with a minicomputer at the New Jersey Institute of Technology. And from that I could access about 100 other scholars distributed across North America, Europe and over to me in Hawaii.

My life has never been the same since then. And so, when the UH computing center finally established a system, in the mid 1980s, that permitted my students to go online, I required all students in all of my classes to do so, and to join a caucus or listserv (a kind of chat room open only to students in my class).

That totally transformed my classes, the way I taught, and who was in charge. In the old face-to-face classes, it used to be me. But not any more. The students control their own learning, and I am just one of the guys, trying to get a word in edgewise.

Of course, UH being what it is, I still have to show up in the classroom several hours a week. I have to go to my office on the Manoa campus and sit there for people to come look at me. But this is all a waste of everyone's time.

I have also taught entirely online courses now for several years, and I intend to put all of my courses online as soon as I can, and then head for the beach.

I am totally opposed to anyone building any more university buildings anywhere. Certainly no more buildings at Manoa, but also No West Oahu campus. That is a total boondoggle for the construction industry, and has no pedagogical justification what so ever.

If any of you read the *Star Bulletin*, or the University Of Hawaii alumni magazine, *Malamalama*, then you may know that I have already declared in print that the day of brick and mortar universities is over--not over entirely, but over as "Flagships"; as the major way to obtain an education.

They are basically over now. If I ever stupidly suggest to my students that they should go to the library to read something from a book, they look at me as if I were demented. Go to the Library! You have GOT to be joking. The only reason to go to the library is to find a cool, quiet and empty place to sleep.

If they want information, they go online and find stuff I never knew existed. And often wish didn't.

And so for you also.

If you have ever tried e-shopping--as I have, and I am a person who would rather die than shop--it is positively addictive.

Sure, the initial learning curve is a bit high, and the earliest websites are pretty clunky.

But we are dealing with Model Ts, or at best Model As, here--if any of you know what I am talking about and can appreciate that distinction. Anyway, we are dealing with early, rather primitive technology now. And it is an absolute rule that the earliest technology is inferior, initially, to the technology it will eventually replace.

So you guys cannot be complacent, and I don't assume you are.

E-commerce will eat you for lunch. But it will take time, so you can and should try to find ways to survive, in whole or part.

Downtowns still exist, though as pale shadows of what they once were for their towns.

So also shopping centers will exist in the future, though certainly not in their current pride of place.

What will shopping centers become? A quiet, protected place for the huge number of elderly we will soon have to hang out? A place for e-shoppers to windowshop before they purchase the goods online? A place to pick up e-commerce deliveries, or what?

Flagship Universities, Flagship Stores and Flagship Malls are all merely proud Titanics, and we here are merely rearranging deck chairs and whistling "Dixie".

But, as I say, what do I know?

I tried to show that there are at least three futures for shopping centers that I can see. One anticipates the continuation of current growth trends; the second fears the collapse of the global economy; and the third looks forward to the transformation of the economy, the society--and the environment.

There no doubt are other options.

So I propose that you invite me back in twenty years and we can see what actually happened and why. My money is on transformation. Where is yours?