


The approach has worked so well for Tennessee that Governor Alexander recommends it for the entire nation. "We have two choices," he says of regions with troubled industries. "Straight-out protectionism, which means we can't compete; or we can shape up for world competition by letting the states create a good economic environment. Protection is narrow and defeatist, the approach of the Labour Party of Great Britain. I think we're better than that. A new trade policy would begin with getting our house in order. That means better management, new labor agreements, and education, including the teaching of foreign languages. Congress could help by cutting our \$200 billion budget deficit."

Mr. Alexander is sensitive to pressures from Tennessee companies facing foreign competition. He points out that he complains about Japanese non-tariff barriers to Tennessee-made goods on his visits to Tokyo—he has made seven. But he declines to criticize President Reagan's refusal of import relief to the shoe industry, although Tennessee is the nation's fifth-largest shoe-producing state. "A lot of families are hurt by jobs lost to cheap foreign shoes. As a start, we've got to do more to help train those people for new jobs. That's difficult, but not unusual, since about 10 percent of all Tennessee's workers take a new job every year anyway."

Governor Alexander's economic success tags him as a political comer. A week after the Saturn announcement, he was elected chairman of the National Governors Conference. As his second and final term draws to a close in January 1987, there is speculation that he will either accept the presidency of the University of Tennessee or run for the Senate against Democrat James Sasser. He is also sometimes mentioned as a candidate for Vice President.

In the meantime, Tennessee is showing the world that American manufacturing is still strong and vigorous. And the resiliency of its economy should give inspiration to other regions whose most important industries have similarly fallen on hard times. 

MASSACHUSETTS

Swamp Politics

JOHN GIZZI

All too often, well-intentioned environmental regulations end up damaging, not protecting, environmental values. A case in point involves an unsightly swamp in southeastern Massachusetts, where a developer's proposal to build a shopping mall and simultaneously invest in improved environmental conditions is being derailed for political reasons by the regional office of the Environmental Protection Agency (E.P.A.).

Legislation enacted in 1977 to protect America's wetlands arose out of public concern that these valuable resources were disappearing. Wetlands make an important contribution to our ecosystem. They act as pollution filters for the purification of contaminated surface waters; as recharge areas for the protection of groundwater supplies; as storage areas for flood control; and as habitat for a wide variety of fish and wildlife, such as ducks and geese. But from the 1960s to the mid-1970s, uncontrolled business and residential development resulted in the needless destruction of thousands of acres of valuable wetlands. Other wetlands were deteriorating, in some instances drying up, as a result of natural succession—with no money and no plan for enhancing and saving them. The enactment of the Clean Water Act of 1977, especially its Section 404 dredge-and-fill program, was aimed at bringing this situation under control.

But as so often happens in government, the purposes of regulation are quickly subordinated to ideological pressures, commercial interests, and political favoritism. In the case of southeastern Massachusetts, environmental groups, and an E.P.A. regional administrator have been willing to sacrifice the quality of wetlands for the sake of a larger political agenda—undermining President Reagan's environmental policy. And they have joined in an unlikely alliance with special business interests, using environmental laws to keep out business competition.

The case concerns a two-year effort by the Pyramid Companies to improve a region's wetland resources while developing a regional shopping mall in Attleboro, Massachusetts. Pyramid is the largest shopping center developer in the Northeast, having built 38 shopping centers throughout New York and New England. Pyramid's efforts have created more than 11,000 jobs and over \$5 million in local tax revenues. Existing Pyramid projects generate a total of more than \$500 million dollars in retail and service industry sales annually in the frost belt.

The company has built a reputation for responsible development. Pyramid's track record includes the development of 10 super-regional enclosed malls in harmony with some of the strictest environmental laws in the nation. A recent example is Pyramid's Crossgates Mall, just outside of Albany, New York, where the company built a one million square foot facility in upstate New York's valued "Pine Bush" area, home to the endangered Karner Blue butterfly, as well as successfully dealing with complex traffic and water quality issues. The mall opened with a March 1984 ribbon-cutting ceremony, during which Henry Williams, New York State Department of Environmental Conservation Commissioner, applauded Pyramid's efforts to protect the environment. In Utica, New York, the company improved a degraded wetland area and created a new 150-acre wetland wildlife refuge which was deeded to the town of Kirkland to remain wild forever.

As Pyramid's New England development partner, John Bersani, put it, "Our philosophy is simple. Plan a project so that an area's environmental quality and its economic vitality can co-exist. With today's technology, there's no need to compromise the environment in the name of progress."

JOHN GIZZI is a political reporter for Human Events.

In December 1983, Pyramid purchased an 80-acre site in Attleboro, Massachusetts for the construction of a shopping mall that would create 3,500 new jobs, over \$1 million in new municipal tax revenues, and \$425 million in economic growth for this relatively distressed region. The site, wedged between highly trafficked Interstate 95 and two major state highways, is in a densely urbanized area.

Wetlands or Dump Site?

The problem? Fifty acres of Pyramid's 80-acre shopping center site are legally and scientifically considered "wetlands." These wetlands, however, are highly degraded and dysfunctional. The U.S. Army Corps of Engineers determined that the wetlands were "low value," noting that illegal dumping has occurred in the area for many years. Today, Sweeden's Swamp, as it is known locally, is strewn with rubbish, old tires, mattresses, and other solid wastes. It even includes a makeshift tennis court. There is no sign of meaningful wildlife. At most, some snakes and common squirrels inhabit the area. There are no fish in the stream. Neighbors consider Sweeden's Swamp a community embarrassment, a hazard, and a dump site.

Despite the insignificant ecological value of Sweeden's Swamp, Pyramid has worked hard to put together a development design that not only protects the swamp's existing value, but improves it. The plan was developed over a two-year period with input from local, state, and federal regulators. Pyramid will create more than 26 acres of high quality wetlands habitat on-site as part of the shopping center project. In addition, over 35 additional acres of valuable wetland will be created in a nearby abandoned gravel pit which has almost no environmental value in its present condition.

The result: an 11 acre increase in the region's wetland inventory (50 acres of low value swamp today, 61 acres of quality wetland after project construction) and a dramatic increase in the quality of those wetlands. Fish, birds, migratory waterfowl, and other wildlife would be attracted to the area for the first time ever. The Massachusetts Department of Environmental Quality Engineering, staffed by appointees of Democratic Governor Michael Dukakis, found that construction of the Pyramid project would enhance, not harm, the environment.

Having obtained all necessary permits and approvals and with more than \$9 million of capital at risk, Pyramid and the City of Attleboro thought they were finally on their way to an improved environment and productive shopping mall. Inexplicably, however, the entire project is being delayed and impugned by Michael Deland, the Reagan-appointed administrator for Region I of the U.S. Environmental Protection Agency. Despite the best efforts of Pyramid to satisfy Deland's escalating demands, he refuses to clear a project that is not only an economic boon, but also environmentally beneficial.

When Deland said Pyramid's environmental protection plan was insufficient, Pyramid responded by agreeing to create 35 additional acres of quality wetland off-site. When Deland questioned the technical feasibility of creating the new wetlands, Pyramid thoroughly researched the subject and uncovered hundreds of successful wetland creation projects throughout the United States and Canada,

some of which were funded by the E.P.A. and the U.S. Fish and Wildlife Service. Pyramid even found an E.P.A. handbook on the subject. When Deland still expressed skepticism about the plan, Pyramid agreed to post a \$1 million performance bond to insure the success of the wetland replication. Pyramid even offered to build the new wetland first—not simultaneously, but first—and have the new wetlands' viability verified by an expert panel before turning a shovel of dirt at their shopping center site. The offer made the project environmentally "risk-free"—if the new wetland doesn't work, Sweeden's Swamp never gets touched and the status quo is maintained. The offer would cost Pyramid over a year in lost time and \$6 million in added project costs. Deland dismissed the offer.

Praise for Pyramid's efforts to improve the environment have come from numerous figures who are not by any calculation soft on developers. Congressman Barney Frank (D-MA) said:

I very much hope that the decision of the administrator will be to allow this project to go ahead, subject to reasonable conditions such as those that have been put forward by the applicant. I have looked long and hard at the arguments of those who are opposed. I have not seen from those in opposition specific assertions of harm that will come from the building on Sweeden's Swamp, except for those who believe that in principle we are never to build on any wetland anywhere, any time, any place.

Attleboro mayor Brenda Reed commented, "Pyramid proposes the creation of an off-site replacement wetland in what is now a gaping gravel pit. Families could fish, canoe, watch birds in those wetlands, things they could never do in Sweeden's Swamp."

Roderick Gaskell, former director of the Massachusetts Division of Wetlands and Waterways Regulation added:

I determined that the Pyramid proposal was a good one, that it would protect and in many instances improve Sweeden's Swamp, and that a permit should be issued. In my opinion, the Pyramid proposal will result in a gain for the environment.

Mr. Gaskell is the same man who rejected as environmentally insensitive a number of construction proposals of previous developers. William Mautz, Ph.D., wildlife biologist and professor of wildlife biology at the University of New Hampshire noted, "I found the net impact of this development tremendously positive."

These arguments were persuasive to the U.S. Army Corps of Engineers, a sister agency of the E.P.A., which approved the Pyramid project. But invoking an unusual and rarely used "veto" proceeding to put a hold on the Pyramid project, E.P.A.'s Deland claims the project might have "unacceptable adverse effects on . . . wildlife habitat." This claim flies in the face of evidence that the existing swamp is in fact a dumping ground that provides almost no meaningful wildlife habitat. That fact, together with Pyramid's "no-risk" offer to build a high quality replacement wetlands first, makes it difficult to understand Deland's opposition.

Deland argues that the Pyramid shopping mall could be constructed on an "alternative" site, thereby eliminating the need to fill any portion of Sweeden's Swamp. This argument raises some interesting questions.

Back-Door Regulations

The so-called alternative site is three miles north of the Pyramid site on a secondary highway. The site has poor major highway access and visibility, which is why Pyramid rejected it. It is controlled by one of Pyramid's competitors in the development industry, New England Development Company, which has had a lock on shopping center development in the area, and would like to see Pyramid kept out of this lucrative marketplace. N.E.D. is providing financial, legal, and lobbying help to some of the environmental groups trying to thwart the Pyramid project.

Deland's "alternative site" argument is inconsistent with the E.P.A.'s own regulations, which state that an area not presently owned by a permit applicant can only be considered a practicable alternative if "it can be reasonably obtained." It must be for sale, and for a reasonable price. The New England Development site is not for sale, and in fact has been tied up by Pyramid's competitors since the spring of 1983, some six months before Pyramid ever ventured into Attleboro. These facts are well documented in the administrative record. Yet they have been overlooked by the regional E.P.A. in its zeal to kill the Pyramid project.

The E.P.A.'s effort to thwart Pyramid is also supported by a group of environmental activists led by the National Wildlife Federation, the Environmental Defense Fund, and several Massachusetts groups, including the Conservation Law Foundation. Deland has a long association with these groups. What do they have to gain?


By encouraging tortured regulatory interpretations such as those being put forth by Deland in the Attleboro case, they are trying to thwart the Reagan Administration's environmental policy while developing a "back-door" regional approach in order to change national standards. But the job of regional administrators like Deland is to implement policy, not to make or change it.

Coalition Politics

Finally, Deland has been joined by Senator John Chafee (R-RI) who is upset over the Army Corps' approval of the Attleboro project. He is apparently concerned that the Pyramid site, nestled just a mile and a half from the Rhode Island border, would draw sales tax revenues away from his home state.

So a powerful coalition has emerged—Deland, the National Wildlife Federation, the Environmental Defense Fund, the Conservation Law Foundation, Senator Chafee, and the New England Development Company. Their goals range from undermining the Reagan Administration to protecting home-state vested interests to eliminating business competition from the marketplace. None of these people seem primarily concerned about the quality of Attleboro's wetland resources.

Fortunately, E.P.A. Administrator Lee Thomas can straighten out the mess that Michael Deland and his coalition have created. Thomas will make the final decision on whether or not the Pyramid project should proceed after

receiving a recommendation from Deland. He should clear the Pyramid project so that the local economy can enjoy more jobs, the consumers a new mall, and the wetlands an improved environment. 

ILLINOIS

Hot Air in the Windy City

MICHAEL FUMENTO

Chicago has had its own distinctive brand of politics since 1833, when 11 residents incorporated the town—by a vote of 12-1 (no kidding). It is a place where the dead rise from the grave not to devour the living but to cast ballots and where the unofficial electoral motto is "vote for the candidate of your choice, and vote often."

Richard J. Daley, first elected in 1955, was the greatest leader of the Chicago machine. Founded in 1931, the machine provided an otherwise volatile Chicago with political stability, a *Pax Democratica* of sorts, with the term referring not to democracy but to the Democratic Party which seized complete control of the city during the Great Depression and holds it to this day. The machine provided for slow, evolutionary change. It simply ignored the demands of insubordinate aldermen, and it domesticated the opposition by giving it a share of the spoils. The only threat to the machine in Daley's time came from the increasing black immigration into the city and consequent white flight to the suburbs, which created racial tension among whites and economic discontent among blacks. Boss Daley handled this demographic shift by throwing welfare, jobs, and public services to the blacks while soothing the whites by preventing integration.

Daley never had to deal with a Chicago of equal proportions of black and white. He died in office in 1976, leaving a power vacuum which has yet to be filled. Michael Bilandic was mayor for three years, but he was defeated in 1979 by petulant Jane Byrne, the first woman to hold the office. Enter Harold Washington, then a Congressman, formerly a legislator in the Illinois General Assembly.

Washington is witty, intelligent, and black. It was by virtue of his color that he won a plurality in the 1982 Democratic mayoral primary against Byrne and Richard Daley—the late mayor's son—and then went on to beat the Republican candidate, Bernard Epton. In the Epton-Washington race, each candidate sought to portray his opponent as an opportunist preying upon the racial prejudices of the electorate. Rumors, innuendo, and graffiti

MICHAEL FUMENTO is former editor of the *Illini Review* at the University of Illinois in Champaign-Urbana.