

Lambda Alpha International  
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Remarks by Neal R. Peirce

IN A SETTING AS DAZZLING as Millenium Park and this Pritzker Pavilion, an example of the very best in architecture and thought and planning in our time, I have what may initially strike you as a strange message for this festive evening.

But it's a pretty simple message, and I think one directly relevant to Lambda Alpha International, with its central focus on land economics. It is that we are guilty of gross underinvestment in America-- not private investment, but public. And that by our collective lack of foresight, we are imperiling not just our place in the world, but the lives and welfare of our children and grandchildren. And undermining the heroic investments of earlier times which made this a truly great country.

The underinvestment is most glaring in our infrastructure. For years we've yawned, politically and practically, at the warnings produced by responsible groups like the Rebuild America Coalition of mayors and public works officials. They claim there's at least \$1 trillion of overdue infrastructure investment in our deteriorating highways, new and existing public transit systems, aging public schools, crumbling local water supply systems, sewer systems deteriorating, and more.

If ever there was a wakeup, it should have been Hurricane Katrina. The levees that failed at New Orleans gave way not, principally, because of the hurricane's winds, but because they were poorly installed and designed in the first place, and hadn't been replaced despite literally decades of warnings. Now, for repair, we'll be laying out multiples, in billions, of the dollars that prompt attention to the problem would have cost.

But there's another way to comprehend our

infrastructure investment: by looking around the world. Across Europe, in Asia and elsewhere, massive new urban systems and communities are now being constructed, linked carefully to transportation, employment centers and amenities -- and not, U.S.A. style, just getting plopped down 30 miles or outside the nearest city on cheap empty fields.

I know you've spent a couple days looking at some handsome individual projects in this wonderfully reborn and rebuilt city. But take the plans to develop the Thames River lands, which start with London's highly successful Canary Wharf employment center but then run through 40 miles scarred by abandoned docks and quarries and factories. There's a conscious, funded plan to build a succession of communities offering state-of-the-art schools, health care facilities, even three new universities. The area runs along the line of the London-to-Paris "Chunnel" rail service, itself a boldly innovative infrastructure achievement of our time. It is to have its own premier public transport services, rail naturally included. Responsibility to make it happen is in the hands of no less a figure than Britain's Deputy Prime Minister John Prescott, who's been authorized by Tony Blair to coordinate and drive Britain's planning in housing, transportation, recycling abandoned industrial lands, and revitalizing cities.

So the second in command in Britain looks to the infrastructure of the future, while the United States' second-in-command, Mr. Cheney, spends his time at that now familiar undisclosed location, plotting ... well, maybe the special prosecutor will fill us in better on the activities of Mr. Cheney and his staff. Stay tuned.

But our problem is not just lack of government commitment, I believe-- It's our loss of verve and expertise. Can America build light, airy bridges that cross streams and gorges in graceful line but also sturdily, as the Germans do? Can we build high-speed trains like the French and Spanish and Japanese, or giant gates that shut out the sea, like

Holland? Can we set up a universal tolling system that allows trucks to travel anywhere without using toll gates, like Switzerland?

The answer of course is that we can -- But that our governments, federal, state and local, will have to start shifting their priorities soon to make it possible. Because private enterprise and initiative is terrific, but it's private by definition, and never *public*.

We Americans are great in doing things too big -- building McMansions for shrinking size families, serving up fats and sugars and monster food portions that swell our waistlines and make us obese and unfit, embracing gas-guzzling SUVs and the like as if our holiday of gulping a quarter of the world's energy supply can go on forever. Big, big, big -- and mistaken.

I believe we have the engineers, designers, architects to do so much better, not just in private but *public* projects. A return to the pride in city design that the Chicago's Burnham Plan epitomized. The exciting potentials of "green" buildings, roofs, towns, bikeways and pedestrian pathways and campuses that not only reduce our energy consumption but cut back radically on our burning of fossil fuels and perils of global warming.

Let me say I find the green initiatives of this great city, pushed hard by Mayor Daley, very exciting. Plus the major "green" elements of the 2040 Regional Framework Plan you heard Ron Thomas talk about the other evening. But we'd better hurry. As my friend Robert Yaro of the New York Regional Plan Association puts it: "Our competitors around the world are spending mega-billions on rail, brownfield reclamation, green building and urban regeneration in their mega-regions. But for the most part, we're frozen on our derrieres."

I'll say less about it, but there's a companion, deep level of disinvestment in America today. Namely, disinvestment in people and their basic needs. Stingy politics

punishes the poor, children most alarmingly, denying, for example, government aid for early childhood care and basic health services. In 2000, 9.8 percent of French children lived in poverty; in the Netherlands, 8.4 percent; in Sweden, 3.7 percent. But in the United States, 26.3 percent of children were growing up in poverty. Today the situation is just as grim.

And just look at the incredible complexity of trying to build affordable middle-class starter units -- not to mention housing for people at the lowest end of the income spectrum -- in any of our cities or towns today. Or our inattention to an agenda that research *proves* will make a big difference for the future - quality preschool experience for all 3- and 4-year old children. And our criminal justice system, wasting resources at gargantuan scale: over 2 million people incarcerated nationally, a world record, hundreds of thousands taken in each year, hundreds of thousands released without rehabilitation or employment or hope. Continued arrests, long and absurd sentences, for offenders in a continuing, never-to-be-won "war on drugs" that rarely punishes middle class people but devastates poor neighborhoods and minority communities.

What's required is not what conservatives might call pampering of the welfare population or throw-away liberal programs. Instead it's basic work to turn around the lives, give future hope, to communities now mired in defeat. A whole range of improved family support systems. All-day schools, community schools providing the services and structures too many poor families lack. Neighborhood boarding schools offering tough love hope for kids in danger of falling into delinquency and crime. And a determination to build communities of mixed income and hope, averting the concentration of poverty that places like Chicago's Cabrini-Green and Robert Taylor Homes, and their copies in cities across America, long ago taught is a recipe for social disaster.

Unless Americans start facing up to these

alarming infrastructure and human disinvestments, lack of planning and foresight and imagination, the future in this century will become increasingly bleak. Today many ultra-conservatives argue that only private investment generates wealth - a justification for the tax-cutting binge the Bush administration has led. But the truth is that our nation has historically supported strategic public investments to undergird and grant incentives to the private economy, and to help individual Americans get a foot on the ladder of opportunity. President Lincoln, even in the midst of a brutally destructive Civil War, thought it important to charter a transcontinental railway, to sign the Homestead Act that made millions of Americans property owners for the first time, and to establish land grant colleges to train farmers and workers.

President Franklin Roosevelt, faced by a deep depression that brought America's entire free enterprise system into question, supported historic public works -- some that remain landmarks in American cities. The GI Bill helped millions gain college training and become productive, contributing members of our middle class. President Eisenhower -- surely "no radical" -- introduced the program for the interstate highways that became America's primary ribbons of commerce.

But today, you'll say, there's no way the federal government can lift a finger, do anything new for infrastructure or significant social investment. Literally trillions of dollars have been added to the national debt by the Bush administration's massive spending on the war in Iraq, on homeland security -- and after Katrina we have to ask how effectively -- and of course tax cuts, overwhelmingly funneled to the richest Americans, on a simply staggering scale. The fiscal irresponsibility is breathtaking. Last year it was compounded with a literally hundreds of billions dollar promise for a Medicare prescription program written to enrich the drug companies as much if not more than the supposed recipients.

Right now the congressional majorities are using the excuse of Katrina relief, the bill of \$200 billion or so to recover from the worst storm of a century, to suggest deep cuts -- at least \$35 billion, maybe \$50 billion -- in existing federal domestic programs. Some of that may be justifiable-- especially cutting some of the egregious pork packed into the recent multi-year transportation bill Congress passed. But how can one justify cutting into programs in education, or environmental protection, or developing new energy-efficient power systems, or social services, or housing for the poor that's already in emergency short supply? And then propose, in the same omnibus budget measure, to provide at least \$70 billion in new tax cuts targeted to the wealthiest Americans? Maybe we'll see a change in Congress in next year's elections, but remember the current majorities stay in power until January 2007, and the Bush presidency stretches out more than three more years, to 2009.

I do believe lots of Americans know the gravy train is about to jerk to a halt, that more taxes and indeed real sacrifice are likely awaits us in the not-distant future. I do believe that a strong new national politics focused on reinvesting in our nation and its people could be invented and mounted.

But with the incredible deficits the federal government has now incurred, it's hard to be optimistic about its prospects for effective action, even with the best of will.

I've spent much of my own time in the last 15 to 20 years focused on metropolitan regions-- *citistates* as my colleagues and I call them -- describing them as the focus of action in the new global economy. World population, new enterprise and industry, universities and research -- all the vital factors of today's global economy -- are focused, increasingly, within them. Major metro agendas are being forged -- in fact Chicago's 2040 Regional Framework Plan is one of the most sophisticated. The most effective plans

nationally, like the one amazingly conceived and applied of late in conservative Salt Lake City, are based on wide engagement of citizens, presentation of real choices, and building broad popular support. No more dictatorial command-and-control planning -- democracy has arrived on this front, and there's no substitute to learning how to make it work.

The problem with regions, of course, is that they're so politically divided. There's no "there there" in government authority for major infrastructure or education planning or whatever. Gaining consensus can be tedious work. But it says a lot that even with that, progressive forces are mobilizing on the regional level coast to coast. The Alliance for Regional Stewardship, founded by the late John Gardner, brings them together for learning sessions a couple times a year. The alliance of regional organizations in California is actively engaging state legislators on major financing and tax issues. A new regional framework is forming in Florida as well.

In the final analysis, regions will have to impact and change the politics of state governments, which -- outside of the federal government -- control the fundamental powers and financing authority in our system. Yesterday I was chatting with leaders of Metropolis 2020, the nationally admired business-labor-citizen coalition that's working to forge new strategies for the Chicago citistate. One of their most interesting initiatives, incidentally, is a terrific infrastructure effort -- a major plan and approach to modernize the freight connections-- rail, highway and water -- that are so critical to this region, but I might add, to the entire Midwestern economy as well. But what I noted with interest yesterday was the report on where Metropolis 2020 spends 90 percent of its implementation efforts -- on the state government.

My argument is that states have to stop micro-managing the big metro regions and recognize instead that they're cash cows, the

funnels of wealth in the new global economy. And therefore should be given some freedom to figure out their own strategies, just as a smart corporation gives substantial autonomy to its top, money-making divisions.

It may be, though, that we'll have to look even more broadly -- to the mega-metropolitan regions now forming around the globe. One, for example, is the so-called "global integration zone" running from London to Hamburg to Munich to Milan to Paris and back to London. The most massive such zone or region in North America is the 50-million person Northeast Corridor from New England to northern Virginia. But the Midwest mega-region -- Pittsburgh-Detroit-Chicago and on to Milwaukee -- is a close second at 40 million people. Next is the Southland (Los Angeles to Las Vegas) at 22 million, and so on. In total, they're a huge majority of this country's population.

A major first focus of the mega-metro regions should be nothing less than a true intermodal network -- rail, highway, water and air links that complement each other, relieve gridlock and winglock, divert some of today's and tomorrow projected rise of truck-born freight onto rail and water. And with increased flexibility, make regions less vulnerable to terrorist attacks and natural disasters.

How will we finance all this? Given Washington's increasingly empty cupboard, major national investment as we knew in the past seems hard to imagine. Another possibility, promising but problematic in ways, is far more dependence on public-private partnerships, private investors, congestion pricing, user fees and the like. The challenge is made doubly complex by the way our political elites now seem embroiled in hot, headline-generating but tangential red-state/blue-state issues. The challenge is to move around the political barriers, to build robust networks, within and across regions, that include the real leaders of our society -- a rich variety of our large employers and key entrepreneurs, university and hospital presidents, foundation heads, faith-

based and union leaders, newspaper publishers, organizations speaking for our dispossessed, and others. All focused on the critical investments for our collective future.

I mention this because I think those are precisely the kind of people, all of you collectively, who have been gathered at this Lambda Alpha gathering in Chicago this week.

Indeed, standing in a fantastic new built environment like the one we're sharing this evening, it seems inconceivable the United States could *not* summon up the will and resolve to tackle the fundamental challenges it faces. My heart tells me that. But my head tells me we're skating on very thin ice.