

# Bizarre plans would gut state's MEDC program

It's no bizarre it can only be happening in Lansing.

Four Republican lawmakers want to slash \$50 million from the budget of the Michigan Economic Development Corp. and use it to restore grants for high school students scoring well on the Michigan Educational Assessment Program test.

The idea is to take \$35.5 million in MEDC operating money from the state's general fund, \$14 million in Indian casino money that goes to the MEDC and \$10 million in tobacco settlement money that funds high-technology projects. That adds up to \$60 million, just about enough to restore the cuts Gov. Jennifer Granholm proposes making in the Michigan Merit Scholarship program. And it would leave the MEDC with around \$65 million in its 2004 budget, almost all of it federal Community Development Block Grant funds earmarked to pass through to local governments.

Make no mistake about it, if adopted, the net effect of this proposal would be to gut the MEDC, the independent agency charged with attracting new jobs and helping business growth in Michigan.

Never mind that the MEDC was started by Republican Gov. John Engler. Never mind that the MEDC has been recognized by *Site Selection* magazine five years in a row as among the top 10 economic development outfits in the country. Never mind that over its six-year history, the MEDC has spurred more than \$72 billion in private investment in Michigan, helped create more than 231,000 new, high-paying jobs in the state and increased the state's tax revenue by around \$4 billion.

At a time when our economy is in the doldrums and Michigan's unemployment rate is at a nine-year high, why would anybody be crazy enough to want to cripple the state's very successful economic development program? The only two motives pathological enough to justify such self-mutilation are ideology and politics.

Ideologically, look no further than the free-market fanatics at the Mackinac Center for Public Policy, who call the MEDC "Michigan's chief dispenser of corporate welfare" and want the MEDC to be "eliminated entirely." A curious charge, as only a very small portion of the 6,000 Michigan businesses the MEDC helps each year gets any financial assistance; most get free help with worker's compensation cost counseling, site location services and worker recruitment and training. As virtually every other state in the nation has an active and competitive economic

development program, entirely eliminating the MEDC would be like unilaterally eliminating our nuclear weapons capability just before negotiating with the North Koreans about theirs.

Politically, the idea is beguiling but dangerous. Plainly, fat college scholarships for thousands of kids who may or may not need them is better politics than helping Michigan's economy prosper by helping businesses through the MEDC. But some day, those kids on scholarships are going to be leaving college and needing jobs. No MEDC, fewer good jobs; no good jobs, those well-educated kids will be leaving Michigan to pursue their careers elsewhere.

A fascinating subplot in all this has to do with the shenanigans now being performed by the Michigan State Chamber of Commerce, certainly the most influential organization in the state in promoting the interests of the business community. Amazingly, the State Chamber is actively lobbying legislators to eliminate the MEDC. No less than three chamber staff operatives have been meeting with key legislators to urge defunding of the agency.

I called Jim Barrett, the president of the State Chamber, to ask what's going on, since so far as I know the chamber heads a kind of directors has not taken an official position.

"How come," I asked Barrett, "the state's leading pro-business organization is actively lobbying against the main pro-business agency in state government?"

"The Michigan Chamber is advocating reductions in government spending," Barrett responded. "We don't support increasing state taxes or fees, so it would be irresponsible not to cut spending, including that of the MEDC."

"Does that mean you're supporting the proposal being made to gut the MEDC?"

"I'm not familiar with any specific proposals from specific legislators," specified Barrett. He refused to say if any of his chamber staffers were actually lobbying legislators.

It looks to me as though the State Chamber — for whatever reasons — is in the middle of saying one thing and doing another. But that's what tends to happen when you mix ideology with politics. One wonders what the businesses that contribute to the chamber's budget think about what's going on.

In any event, the plot to cripple the MEDC is a bad idea and should summarily be killed.

FTY: Gov. Granholm has proposed a 20-percent cut in MEDC funding, which seems to me reasonable in light of current economic conditions. Let the record also show that I serve as the vice chair of the MEDC's Executive Committee, so I have a stake in this argument.

Phil Power is the chairman of the board of the company that owns this newspaper. He would be pleased to get your reactions to this column either at (734) 953-2047 or at ppower@homecomm.net.

# Canadian trash issue gets state politicians in a frenzy

"We don't want your stinkin' Canadian trash."

That's the message that state politicians are hearing loud and clear from their constituents. The idea that Canadian cities are delivering their trash, some of it potentially hazardous, to local landfills has raised the hackles of residents throughout the Detroit metro area.

Several weeks ago, a group of Wayne State University students asked the *Observer & Eccentric* newspapers to run a survey on the issue as part of a class project. They polled more than 300 people, about half of them O&E readers.

The overwhelming majority favors banning importation of all foreign trash (which would violate the North American Free Trade Act) or at least limiting what is allowed to prohibit those items that Michigan cities and businesses are prohibited from dumping. Some of the side notes attached to the survey showed just how vituperative some people are on the issue.

That kind of reaction is sure to catch the ears of any semi-awake politician. It's a win-win for any fast-on-his-or-her-feet pol. They get to rail against foreign trash, come out strong for the environment, make disparaging remarks about Canada (which stayed home during the just-completed conflict in Iraq) and only offend a few landfill operators and the communities that receive fees from them (oh, yeah, and Canada).

All the stars were right for Gov. Jennifer Granholm to bravely go where every other politician was rushing. On Monday, the day before Earth Day (did you celebrate?), Granholm appeared at a rally in Madison Heights as part of a Don't Trash Michigan campaign, organized by a group that includes unions, environmentalists and church groups.

She is asking the federal government to give states more control over regulating trash. Specifically, Granholm supports legislation that allows states to prohibit any trash that contains items that Michigan residents are not supposed to dump — deposit bottles and cans, batteries, oil, etc.

Granholm, a native Canadian, is taking up the cudgel with the usual energy of a religious convert. After all, during the gubernatorial campaign, her opponent Dick Posthumus accused her of lacking solid Michigan values, of actually being tainted with Canadian values. What an opportunity to show just how strong her Michigan values are.

She says she doesn't want to start a trash war,



Hugh Gallagher

but a good skirmish could do her some good.

The U.S. Supreme Court has thrown a wrench in any state attempts to control importation of trash, ruling that interstate commerce is the preserve of the federal government. The court has also ruled that importing foreign waste is protected by the North American Free Trade Agreement.

Cynicism aside, Granholm and others who have taken up the issue are right to be agitated by the importation of Canadian waste. Just this past January, Toronto closed its own landfill and began to truck all its waste this way.

Last year, according to research by the WSU students, Michigan imported 3.8 million tons of trash. Twenty percent of all trash dumped in Michigan is foreign. Every day, 200 trucks cross the Blue Water and Ambassador bridges loaded with trash, most of it going to a landfill in Sumpter Township.

That trash is a potential health risk. Toxic gases and leaching from the landfill are polluting our air and water.

Of course, we have to dump our own trash (we even send some of our toxic trash to Canada). For years there has been a lively debate on landfills vs. incineration, with landfills generally getting the environmental nod. Neither system is perfect.

We need to continue the good efforts we have made to limit, recycle and control our trash. A bill is currently being considered to expand the deposit law to include more categories. In fact opposition from some business interests, but would be consistent with a real concern about landfills.

In a letter to one of the WSU students, Granholm makes this point: "... while out of state waste is a serious problem, 80 percent of the total trash put in our landfills comes from Michigan, and we must work to reduce the amount of solid waste we create."

Proposals by Granholm include increasing landfill inspections, limiting what the state will allow in out-of-state trash and increasing the cost of dumping in Michigan. She also supports expanding the bottle deposit law.

Rep. Paul Gielgelm, D-Clinton Township, has two proposals that deal directly with the issue. But that some say would not pass muster with the courts. House Bill 4098 would require other states or the province of Ontario to follow the same strict standards for dumping as Michigan, including bans on motor oil and batteries. House Bill 4099 would require Canada to separate and dispose of returnable bottles and cans.

Sure it's an easy "let's go get 'em" for politicians. But if they succeed, we'll all be better off.

Hugh Gallagher is the managing editor of the *Observer & Eccentric*. He can be reached by phone at (734) 953-2149, by e-mail at hgallagher@homecomm.net or by fax at (734) 591-7279.

free decorative post upgrade.

\$55 value! FREE

In order and receive a free decorative post upgrade. Call 1.888.767.8548 or online at [www.bteenergy.com](http://www.bteenergy.com)

**BTE Energy**

I USED MY EXTRA PLAY TIME TO WIN \$1.8 MILLION

True story of a major Megabucks® jackpot winner! At Casino Windsor, my \$100 U.S. became about \$150 CAN. That gave me a lot more play time, more pulls at the slot machine and more chances to win. Did it make a difference?

**THE \$1.8 MILLION DIFFERENCE**

I was down to that last \$50 on my exchange when I won \$1.8 million! That's serious money in ANY currency!

**THE EXCHANGE RATE MADE ME A WINNER**

If I'd been playing at a Michigan casino, I would have been out of money after playing the \$100. But the exchange rate at Casino Windsor gave me the time I needed to win, and isn't that why you play in the first place?

**CASINO WINDSOR**

More of what you want

[WWW.CASINOWINDSOR.COM](http://WWW.CASINOWINDSOR.COM)

For MORE information call 1-800-981-7272

**GET MORE TICK-TOCK ON YOUR PLAY CLOCK**

See For Real, Not For Bunk! Play Responsibly. 1-800-981-7272. Ontario Problem Gambling Helpline. Copyright 2003. All rights reserved. 19 year old age of consent to enter. "Based on exchange rate at time of jackpot. Actual exchange rate may vary."