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# The Problems of Rural Reindustrialization

A Case Study of Monroe, Massachusetts

Jeanne H. Armstrong and John R. Mullin

Owing to the departure of the mill industry from rural New England, many small towns have suffered erosion of their economic base. These towns and villages face a declining population, vacant mills, and an aging work force. Monroe, Massachusetts, is an example of the problems of rural reindustrialization. This article concludes that state intervention is required for the restoration of productivity.

**S** everal hundred small villages and towns across New England are in serious economic trouble as a result of erosion of their economic base.<sup>1</sup> Often located miles from population centers and relying on outmoded transportation systems, these communities must face the realization that "The Mill," their raison d'être, will most likely cease production as tighter environmental controls are established, efficiency in operations becomes more critical, absentee landlords require greater return, and general manufacturing declines.<sup>2</sup> A quiet foreboding overshadows these communities located along such rivers as the Blackstone, the Quinebog, and the Deerfield. There is a feeling that the communities are alone in their problems and that few, beyond the residents, care about their future.<sup>3</sup>

Yet these communities are important to New England. They represent its culture and heritage and, perhaps most important, are often the breeding grounds for the new ideas, inventions, and innovations that have kept our region economically viable.<sup>4</sup> There is clearly a need to help these towns, to nurture them, and to stimulate actions that will help them recover. This article is a plea for state officials across New England to begin to create programs designed to help these communities. The costs in terms of money, time, or effort will be small, and the return is likely to be significant.<sup>5</sup>

We focus on the town of Monroe, Massachusetts, as an example of the plight of the mill town in New England. Located approximately 126 miles west of Boston, Monroe is nestled against the Vermont border and adjacent to the towns of Rowe and Florida, in Massachusetts, and Readsboro, Vermont. One has to traverse the Mohawk Trail and ten miles of hilly and narrow road, pass a nuclear power plant, cross a condemned bridge, and negoti-

Jeanne H. Armstrong is president of LandUse, Incorporated, a planning consulting firm in Hadley, Massachusetts. John R. Mullin is professor of urban planning at the University of Massachusetts at Amherst. ate a steep incline by a vacant mill before one enters the town center. While the traveler encounters much scenic beauty, the trip is disconcerting. One may see breathtaking vistas and hear the roar of a tumbling stream, but one also sees poverty, disinvestment, and an overpowering nuclear power plant. Monroe has the look of a dying town — a place with no industry, no commerce, and, most recently, no school.<sup>6</sup> It is a distressed community in which people are overwhelmed by events, undersupported by the state, suspicious of outsiders, and divided among themselves concerning future directions. But it can still be revived — it could be a productive and economically vibrant community. Monroe need not slide into bankruptcy, become a ward of the state, and suffer the indignity of being the first community in Massachusetts since Fall River and Millville during the Great Depression to be legally designated incapable of caring for itself.

Monroe is not unique. In fact, scores of towns throughout New England could easily slide into a similar position. The closing of a mill, the loss of a key natural resource, or the failure of a bridge could lead to the same sort of fate. The message is clear: despite several years of prosperity and near full employment, industry-based, rural New England communities are still in an economic climate that is far from secure. For this reason, and to prevent further Monroes from occurring, the story must be told.<sup>7</sup>

The article contains two parts: the first focuses on the critical elements that have caused Monroe to be what it is, the second on what can be done to help this community, with a description of lessons learned.

#### The Town of Monroe

#### Overview

Incorporated in 1822 and named after the fifth president of the United States, Monroe was first settled by rail workers employed in constructing the famed Hoosac Railroad Tunnel. With its fast-flowing stream, high banks, and buildable land at the water's edge, the town had all the basic requirements for a mill. In 1866 a paper mill was constructed and, with its accompanying mill housing, became the lifeblood of the town for the next 120 years.

The land is quite hilly, except for the area where the Mill is located (commonly referred to as Monroe Bridge) and a small cluster of homes in the hills (called Upper Monroe). This terrain has been a critical factor in keeping the town so sparsely populated; it simply is not developable: less than half a square mile of the town's 10.85 square miles is considered buildable.<sup>8</sup> This factor, coupled with harsh weather, makes accessibility difficult for both trucks and cars. Indeed, many of the most skilled truckers (and yesterday's teamsters) have cursed the day they were assigned to make deliveries to the Mill. In any weather, traversing the roads, with 22 percent slopes, bridges with gaps in the roadbed and a tendency to shake, and hairpin turns, is difficult. Monroe's inaccessibility, limited supply of developable land, and distance from major population centers resulted in its evolution as a rural industrial community with no agricultural base, a community dependent for its economic well-being on the future of a tired, outmoded nineteenth-century mill.

#### The Village

A summary of the characteristics of Monroe that one might write for the *Encyclopaedia Britannica* would read as follows:

Monroe (pop. 142, incorporated 1840), located 126 miles west-northwest of Boston in

Franklin County, adjacent to the Deerfield River, settled by Italian railroad workers. Home of the Westfield Paper Company's glassine paper factory, now closed. Smallest manufacturing town in Massachusetts.

While the facts are accurate, they tell only part of the story.

The town is clustered around the Mill in a manner reminiscent of the village pattern of the Slater Mills common to Rhode Island and southeastern Massachusetts.<sup>9</sup> The Mill stands on the banks of the Deerfield River; one can clearly see the high-water mark along its concrete basement. A mixture of concrete, brick, and wood, it is a utilitarian complex. Clearly, the owners, over time, simply created additions to the complex with an eye toward cost and efficiency rather than beauty.

Climbing from the Mill complex toward the town center, one enters the residential area. Grouped on either side of a well-kept street are row houses and boardinghouses, now converted to market-rate rental units, and several small, well-kept, single-family homes, which regularly sell for under \$60,000 per unit. The town's one restaurant, which is in the middle of this area, is barely surviving. This is understandable, given that the Mill is closed, only 142 people live in the town, and Monroe is off the beaten path. Still, it is obvious that the people who live here have not given up hope, since the yards and streets are beautifully maintained.

At the top of the hill is the "institutional" center of town, where one finds the Mill's former main office building. It was an impressive structure with features both slightly Teutonic and slightly Queen Anne-style. While it is still well maintained, the aluminum siding along the lower floor has robbed the structure of much of its former beauty. Immediately across the street is the impressively maintained combination town hall and grade school, which sits above the town on a grass knoll overlooking the village. With white columns and a brick facade, this structure alone presents a picture of Monroe as it might have been in earlier times. To the side of the town hall is the former Mill foreman's house, in the process of being restored. It is called the James Ramage House, and its position on the high ground, overlooking the former homes of the Mill workers, is symbolic. Its size, style, and location all reflect the power, prestige, and control of the Mill management over the workers.<sup>10</sup> It is no accident that this building is adjacent to the town hall: town government and Mill business were one and the same. What is missing is the third structural element common to so many nineteenth-century mill villages in New England: the Protestant church.11 The only church in town was destroyed by fire in 1934. Across the street from the foreman's house is the post office, a run-down structure in need of substantial improvements. And that's the village - compact, neatly kept for the most part, and quite functional. But there are problems on the horizon.

We must consider the question, "What is a village?" Clearly it's a community of people in which face-to-face, incidental contact commonly occurs through the normal functions of everyday life: shopping, the journey to work or school, the need to pay bills or visit the post office. If we examine closely the functions noted above, several are either missing or in danger of elimination from the Monroe scene. First, there are no shops in the village. To buy something as common as a toothbrush or a newspaper one must travel on a very steep grade four miles to Rowe or five miles to Readsboro, Vermont. Even buying a cup of coffee may become a problem if the one restaurant in town folds. Thus, in terms of the essential goods required for day-to-day life, the village offers very little.

Second, there is the future of the U.S. post office, which, in small-town America, is many things in addition to the place where one purchases stamps. It is the symbol of the

federal government, a communications network with the world, and its zip code gives the community an individual identity across the nation. It is quite interesting to listen to rural postmasters and -mistresses describe their duties. They regularly and informally handle tax, social security, draft registration, and other federal matters that have an impact on all of us. Although not included in the job description, these are essential functions. They are even more important in communities with a large existing or emerging elderly population.

We predict that the Monroe post office will close. The U.S. Postal Service policy is to consolidate rural post offices as an efficiency move. With this closure comes the loss of identity. Instead of the postmark Monroe Bridge 01350 on each stamp, an RFD or a Greenfield designation will be affixed to each letter. While such a move can be understood from the practical level, given the need for economy, the town will suffer psychological damage. It will lose its formal outlet to the world, its sole representation of the federal government, and will incur the stigma of being so unimportant as to be denied a federal post office. We are reminded of the telephone companies' move to eliminate the call word for communities in the late 1950s and early 1960s. Communities were saddened when prefixes like Butterfield 8 or Pennsylvania 6 were eliminated, for those prefixes contributed to a sense of community. Even in Massachusetts, one knew that the call sign for Concord was Emerson, for Acton Colonial. Both contributed psychologically to the towns' positive image. But these communities recovered, and so will Monroe — to a degree. However, a subtle sense of estrangement, isolation, and knowledge that the town is not truly a "complete" community will persist.

A similar feeling would occur with the third problem: the closing of the school. With only fourteen students and the town birthrate close to zero, the school closing makes economical and educational sense. But there is more to it. A school represents the spirit and future of a community. It is a place where community values and ethics are learned. It is an institution in which local people take care of their own. When local control is diluted or eliminated, there is a feeling of surrendering one's future to someone else. The net result, once again, is the erosion of a community. Do the people of Monroe care? The debate over the school's future was heated. As so often happens in communities with an aging population, support for the school has been steadily eroding. The decision to close the school was made in the spring of 1989.<sup>12</sup>

#### The Mill

The Mill was first developed in 1866 for the purpose of manufacturing paper, and was quite prosperous throughout most of the twentieth century. Specializing in glassines (the cellophane type of paper that, for example, covers the opening over the address portion of a business envelope), it enjoyed a steady market for its product despite recessions and economic downturns. In 1982, however, the Mill was sold to Reed International which, with different standards for investment, was unable to keep it operating within the required profit window. In 1985 the Mill was closed and shortly thereafter sold to the Westfield Paper Company, which has now stripped it of its machinery and is attempting to sell it. At its peak in 1983 the Mill employed 188 workers.

The closing of the Mill is not a unique story. In fact, a careful examination of the events leading up to its closing depicts a case that has been repeated time after time in New England. The story must begin with its product, glassine paper. As anyone who receives bills in the mail knows, companies are less and less apt to use glassine over the address portion of envelopes, which has greatly reduced the demand for the product. With excess capacity and plants performing the same production in two locations, the Westfield Paper Com-

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pany had to decide which plant to close. The Monroe plant was the older of the two, had an older work force, older equipment, less space to adapt for new machinery, was in worse condition, and was more difficult to service by truck. In addition, there were rumors that it required the expenditure of a significant amount of money for environmental cleanup. Given such conditions, what choice did the owners have? There have been hints of potential buyers but, to date, they have not been substantiated. As the president of the owning company notes, "We actively seek interested parties for the site."<sup>13</sup>

What are the critical characteristics of this mill closing?

- The labor force, although quite skilled, was aging. An older work force is generally more costly and less adaptable to change.
- There were alternative opportunities for work in the region, so the stigma of unemployment and the loss of income would not be as extensive in Monroe as in many other communities facing plant closings.<sup>14</sup>
- There was little replacement labor on the horizon. The region was not growing to a significant degree, and the "Massachusetts miracle" had created conditions that economists considered as being greater than full employment. Further, the local birthrate was close to zero, and young men and women regularly left the community after high school.
- The Mill was old and in need of extensive renovation. Its bricks were cracked, mortar was falling out, and major reconstruction efforts would be needed on the not too distant horizon.
- Built in the nineteenth century, the Mill was not designed for the modern production of paper. The process is essentially linear, while the Mill's multifloor configuration required vertical movements.<sup>15</sup>
- Access to the Mill is difficult for sixteen-wheel trucks. We have previously
  mentioned the dangerous grades that lead to the town from Rowe. For vehicles coming from Charlemont, the road is equally dangerous, with dramatic
  slopes and hairpin turns. Truck drivers find winter driving here particularly
  stressful.
- Eight U.S. mills were turning out the same product for a demand that could be supplied by only two of them. Monroe's facility was among the oldest.
- Because Reed International had not reinvested in modern paper-making equipment, it gave its more aggressive competitors a better opportunity to capture a market share.
- Reed International sold the Mill to a nationally based company, which turned out to be an absentee landlord. It consequently required a quick, high rate of return on investment to operate efficiently.
- If it is sold again, the Mill will have to undergo an environmental inspection to ensure that it meets current health standards. This means that the seller would have to bear the potential additional expense of an environmental cleanup, which is rarely inexpensive. In Barre, Massachusetts, for example, the environmental problems associated with the Barre Mill have kept it closed for fourteen years.<sup>16</sup>

#### The People

In the final analysis a town's character is determined by the people who call it home. After all the commuters, state and county bureaucrats, and consultants leave, it is the hometowners who must pick up the pieces and make the community work. The roads must be plowed, bills must be paid, and public safety must be maintained. Who are these people, and why are they still in Monroe?

The town was initially settled by the Italian immigrants who worked on the Hoosac Railroad Tunnel. Having established residence in Monroe, they later began working in the factories of the region and were soon joined by other ethnic groups. Today there is still a small group of families with Italian surnames, but the town is a mixture of many groups, with no dominant ethnic representation.

Monroe is a blue-collar town in which no local citizen is a doctor, lawyer, or captain of industry. The influence of the Westfield Mill was such that it and the community became one. Since it called for a large number of machinists and other tradesmen, there is no mystery about the community's evolving as it did. The owners and upperlevel management lived afar, while the workers resided in the Mill's shadow. This New England phenomenon was repeated constantly in the region's nineteenth- and twentieth-century history.

Monroe's population base is in decline. With an average age of thirty-four, its people are older than the state average, and Massachusetts is among U.S. states with the oldest population. Nothing points this out more vividly than examining the birthrates. Over the past decade the town's birthrate has declined. Deaths have also declined, but only as a result of people leaving the community and dying elsewhere. Thus with people still moving out, a declining birthrate, aging population, and newcomers consisting primarily of retirees, the town is in a posture of decline. In fact, all of the four homes sold in Monroe over the past year were purchased by retirees. With an average price per unit of under \$60,000, housing is the lowest priced in the county and is obviously a bargain when compared to that of other communities.

This sense of decline can also be noted in the participation in town government. A review of the town reports shows that only a small cadre of people actually participate. Interestingly, the selectmen often serve as volunteer drivers of the snowplows in winter, which helps the town save money. The reality remains that the problems facing the town have led to dispirited civic morale: it is as if anything the town tries causes future problems or does not work. Despite Herculean efforts, Monroe has been unable to obtain its expected share of state grants. This problem is particularly severe in rural communities across the country.<sup>17</sup> These hardworking, dedicated, and well-meaning people are simply ill equipped to bring about required changes. Finally, despite the low price of housing, no family in Monroe could afford to purchase its present home at today's prices. They are, in a sense, trapped.

And where does the Commonwealth of Massachusetts fit into the future of Monroe? Manifestly, if the town is to survive, the state will have to play a major role. Unfortunately, the state has not provided any special consideration to the town beyond approving a grant designed to bring officials together to analyze the town's problems.

Why has this occurred? While there are many reasons, the simplest is that the state has no general grant program designed to comprehensively address the needs of communities that are under fiscal or economic stress. Further, there are strict requirements for many other grants that are evaluated by such criteria as return on investment or in terms of the greatest number of people being served or of making a positive contribution to the community's economic well-being. In truth, many communities that require state aid in anticipation of economic growth or for stability are turned away. A community that was growing or in which a company was to locate would have a higher priority. A community in distress has a difficult time obtaining the financial assistance of state grants to ameliorate its condition.

Over the past five years the community submitted applications for eight grants, of which only two were awarded, one for minor road improvements, the other to study the town's fiscal problems. It is clear that part of the problem may have been the grant-writing skills of the townspeople and their poor judgment in applying for high-risk grants. It is also clear that the state has not relaxed its standards in favor of the town. As late as April 9, 1988, at the Conference on the Future of Monroe, Massachusetts, Associate Commissioner of Public Works Kenneth Kruckemeyer stated that Monroe's applications for assistance in road improvements were not as critical as those of many other state communities.<sup>18</sup>

#### The Nuclear Power Plant

One of Monroe's neighbors, Rowe, is the home of Yankee Atomic Nuclear Reactor number 1. Rowe and its nuclear power plant have had and continue to have a significant impact upon the town.

Yankee Atomic, the largest employer in Rowe, pays approximately \$400,000 in property taxes. For this reason Rowe has one of the lowest tax rates in the state and is able to finance civic improvements of a higher quality than those of its neighbors. (Rowe's tax rate of \$7.10 per thousand is one-third that of Monroe's. Although not a Lexington or a Weston, Rowe is far more affluent than its neighboring Franklin County towns. Perhaps the best way to describe the town is "utility with a flair."

The road to the nuclear power plant is not a typical rural road; there are few ruts or sharp curves, and vehicles ride almost as smoothly as on a major state highway. The width of the road and the depth of the pavement were obviously calculated to support trucks servicing the reactor. But the terrain indicates that there is something different here. Leaving Rowe Center, one sees steep inclines marked by signs directing "Trucks test brakes" and pointing to emergency off ramps. Reaching the bottom and making a gentle left turn, one finds the nuclear power plant. Painted in soft hues, the buildings more closely resemble Henry Ford's Village Industries of the 1930s than a structure housing one of America's most powerful sources of energy.

It is a quiet place; in fact, the absence of noise makes one uncomfortable. Standing outside the gate a person wonders, "Is it on, is it down, or is something wrong?" One wants the nuclear power plant to do something, like shake, whine, roar, or send smoke and mist into the air. But it just sits there quietly, cleanly and steadily providing energy for New England.

Built in 1954, Yankee Atomic is the nation's oldest active nuclear plant. Its size, scale, and energy output are minuscule compared to a Three Mile Island, a Millstone, or a Seabrook. But gliding down the mountain to the site, one sees a few mill structures, a geodesic domed structure, and a chain-link fence, all guarded by serious attendants. Its neatness and sense of order cause it to stand out. Located along the southern edge of the Deerfield River, it is approximately two miles from the center of Rowe but less than one mile from the town center of Monroe on the northern bank of the Deerfield. The fact that Monroe provides the emergency evacuation route for the plant, which is closer to Monroe's center of population than Rowe's, is immaterial. This "winner take all" approach

concerning tax revenues, regardless of impact, is common to our region. Also, locating "Locally Unwanted Land Uses" (LULUs) on the borders of a town is a New England art form of long standing. The trained eye need not spy a sign announcing, "You are leaving town." All it has to do is note the site of the local dump, local airport, local affordable housing, or regional shopping center to know it is the edge of town. The nuclear power plant fits neatly into this pattern.

The plant is at once a curse to Monroe and a potential savior. It is a curse because of its proximity to the town: given a choice, would one want to live in the shadow of a nuclear power plant? Clearly not. And when the other problems of Monroe are added to this LULU, one can clearly understand why Monroe is suffering. Of course it is true that people get used to living in the shadow of such potential threats to life. Nothing brought this home to us as much as a visit to Indiantown Gap, Pennsylvania, shortly after the accident at the nearby Three Mile Island nuclear reactor. While taking an evening stroll, we stopped to watch a softball game between two local teams, one of which was called the Meltdowners! It's amazing how quickly we as a people adapt to and laugh off danger. But given a choice, would these people be playing on that field or living in that community? We think not and still believe, despite external reactions to the contrary, that the psychological toll is quite high. But what if the managers of the power plant became active participants in town affairs? What if they contributed to the school, the roads, and revitalization? What if they aided town boards? What if the company became a modern corporate citizen participating in the larger community of which it is really a part, rather than merely following the basic rules of law? We don't have answers to these questions except to note that such involvement could be accomplished easily and at minimum cost.

#### The Deerfield River

Forming the border between Rowe and Monroe, the Deerfield River flows rapidly through deep cuts at a rapid "white-water" pace. The true pace of its flow, however, is governed by a Northeastern Power Company (NEPCO) dam immediately to the east of town. NEPCO regularly releases and retains water according to its power generation demands and the rate of natural flow behind the dam. Consequently, one cannot predict the river's flow, speed, or depth with any guarantee of accuracy. NEPCO owns virtually all the land on either side of the river throughout the town.

Why is the river important to the town? First of all, it is beautiful. Its steep banks, rapids, and explosiveness as it roars down a narrow shaft and cascades over rocks is unlike any other in western Massachusetts. Its unpredictability, controlled and quiet at one moment and wild and roaring the next, contributes to a sense of wariness and mystery. By comparison, a ride on the Concord or the Sudbury is typically serene. A journey down the Connecticut is marked by respect for its sedate power. A trip on the Charles or Mystic is civilized. And the slow-moving Blackstone and Assabet are little more than tired remnants of an older industrial order. The Deerfield River, as it cuts through the land, becomes steep and banked. The remnants of past floods have created rocky edges from its banks. Beyond the edges is a dense forest that is rarely traversed. These characteristics cause one to feel that this is a special stream. It really belongs in northern Maine, hundreds of miles from civilization. Yet it is a controlled river, dominated by the decisions of NEPCO technicians who determine the time, speed, and regularity of its flow. In effect, as with Yankee Atomic, the river is controlled by anonymous lever pullers who are operating under policies, rules, and regulations that have little to do with the people of Monroe.

Who owns this river and what should its uses be? We know that there is a whole body of

law governing riparian rights. We know also that there are agreements between the state and its utilities concerning what can be dammed. Finally, we know that there are various federal and state rules governing environmental protection. The net result is that Monroe has little to say about what happens to the river. The combination of bureaucratic rules and regulations and long-term agreements with utilities has resulted in the inability of the town to control its own riverfront and river uses. The powerlessness of residents is always difficult to swallow, but never more so than when one's own town is in trouble.

If Monroe is to have a prosperous future, the river will play a key role. Somehow the town must strive to regain a degree of control over its use. But what is the likelihood of this occurring? With no full-time professional staff, few financial resources, virtually no legal aid, and a lack of understanding of federal and state rules, the town is unlikely even to begin the process of assuring that its needs are addressed. The river is *in* Monroe but not *of* Monroe, controlled by the people who use Monroe but don't know Monroe, and governed for the public good, but somehow not for the good of Monroe.

#### The Monroe State Forest

The 4,250-acre Monroe State Forest is owned by the Commonwealth of Massachusetts and operated by its Department of Environmental Management. Once the home of a state prison camp, the site's buildings and roads are poorly maintained. Perhaps more significant, the forest is minimally used for recreational purposes, and no plans exist to promote further use or upgrade its facilities. It is little more than a plot of open space protected by the commonwealth for incidental use.<sup>19</sup>

But this property is important to the town. The state has a policy of making payments in lieu of taxes for its forest lands, payments intended to cover the cost of services needed to ensure protection of the land. The good news is that the state does contribute to the town treasury; the bad news is that the amount of payment is based upon the town's assessed value, which is subject to dramatic change. For example, the state makes a larger payment for a state forest in an affluent town than for one in a poor town, regardless of the need for public support or the impact of the forest on the town's budget. In Monroe, with falling property values, this policy means that the state will be paying less money to the town at a time when every cent is crucial to the town's future. It's a little bit like kicking a dog when it's down. There are clearly problems with this policy, but it could be changed. in the meantime, Monroe continues to suffer.

### **The Future**

## And so ...?

The outlined problems have meaning for the town of Monroe and many other small New England towns. What can be done? We will attempt to answer the question in two ways: What can Monroe do to improve itself, and what are the lessons learned from the Monroe experience?

The town can take a series of steps in cooperation with the county and the state:

- · Obtain professional grant-writing assistance from the county.
- Obtain state help to explore the feasibility of a year-round recreation center emphasizing, for example, kayaking or white-water canoeing. This proposal would require road improvements, the conversion of the Mill to a

restaurant, shops, and club facilities, and the cooperation of the New England Power Company.

- Achieve a fair payment in lieu of taxes for services provided by the town to the state forest.
- Request that the State Department of Environmental Management upgrade the state forest to attract an increasing number of visitors.
- Gain help from the state to provide a "shared expense" approach for the chemical cleanup of the old Mill, without which it can never reopen for any type of use.
- Gain technical assistance to ensure that the town remains on sound fiscal footing.

Will all of the above guarantee the recovery of Monroe? Not by themselves, for each is insufficient to address the problems facing the town. World, national, and regional market conditions will also have an impact on local conditions. However, given reasonably stable financial markets, the cooperation of the state government and the utilities, and the long-term commitment of the Mill owners and the townspeople, implementation of these recommendations will help to improve the town's quality of life and place the community on a sound financial basis. But above all, the essential ingredient is the will of the people. If they remain disorganized and allow market conditions to dictate their collective future, and if they fail to keep their elected officials involved, the future of the town will be in jeopardy. The same spirit that led to the town's formation needs to be applied once again. If it is, the future could once again be positive. The beauty that is Monroe certainly deserves such a response.

## What Are the Lessons Learned?

Throughout our work in Monroe we often asked: Is this town unique?

From research and interviews with state officials it is evident that the Monroe experience is not an odd incident but one that is likely to be replicated many times in the coming years. Three Massachusetts examples come to mind:

- The town of Barre, with a 1980 population of 4,102, is the home of a 480,706-square-foot mill that has been vacant for fourteen years. At its peak it employed over 1,000 people.<sup>20</sup>
- The town of Chester's Dresser Mill, an 80,316-square-foot facility, has been vacant for six years. It employed fifty workers at its peak and paid 12 percent of the town's revenues.<sup>21</sup>
- The town of Northbridge, former home of the Whitin Machine Works, has had over 500,000 square feet of mill space vacant for the past five years.<sup>22</sup>

The same general phenomena are at work in all three towns. The mills were old, outdated, had chemical waste problems, were sold to absentee landlords, and stood vacant for many years. All three areas are relatively isolated communities requiring fifteen to twenty-five miles of travel to reach an interstate highway. At least partially as a result of the closing of its mill, each town has also had an extremely difficult time raising revenues for basic municipal services. These are the generic phenomena we have noted:

- If an old mill building remains vacant and unheated for one winter, its chances of recovery decrease dramatically. Our experience has shown that once the heat is shut off, pipes freeze, insurance is canceled, and vandalism tends to spread. A classic example is the Uniroyal Building in Chicopee, Massachusetts. In North Adams the Sprague Corporation voluntarily kept its vacant mill heated for an additional year while officials developed a revitalization plan.
- If an old mill building remains vacant for more than one year, the chances are that it will be converted to residential or commercial use.<sup>23</sup> It is far easier to find residential or commercial tenants than industrial ones. Further, the environmental concerns are far less. The problem, however, is that once industrial space is changed it will not return to industrial use. The net effect is that industrial space in most of our communities is becoming increasingly scarce and expensive.
- The loss of an old mill does not necessarily mean widespread unemployment (given the higher employment in the larger region).
- Old mill buildings in small-town New England pay a disproportionate amount of tax base. The closing of a mill is accompanied by a request for tax abatement, and the community may suffer. In Monroe the Mill was assessed at 22 percent of the town's total equalized value. The current owners are requesting an abatement.
- There are no grant programs designed to help a community in general distress. All grant moneys are tied to specific programs.
- Old mills are potentially hazardous sites, resulting from asbestos, poor waste-treatment facilities, and years of chemical use.
- Often situated in poor areas of rural communities or along riverbanks in flood plain areas, old mills have difficulty in gaining approval for expansion. Denial is usually based on zoning or environmental regulations.
- Most old mills in rural Massachusetts are owned by absentee landlords who care little about community needs.
- Most old mills are unsuitable for typical large-scale manufacturing processes. And most have outmoded electrical, plumbing, and heating systems.

Given these conditions, it is clear that there is a need for a series of state policies and initiatives to help these communities. The programs must be comprehensive, include incentives, and be easy to access. Without such programs towns like Monroe will continue to struggle in a region of plenty. What are the recommended initiatives?

Above all, there is a need for a distressed towns program that will "package" appropriate state actions so that state agencies are mutually supporting. Such a program would require ease of application, a quick approval period, a strong set of criteria for approval, and common agreement on critical actions on the part of state agencies. Could this occur? Yes, if each agency relaxed standards. Will it work? That is unlikely unless the highest levels of state government lend support. New England Journal of Public Policy

There is a need to address the state-aid formula that tends to punish communities that are older and, de facto, have fewer children than the state average. In effect, the state punishes communities in decline. If a town loses an industry, workers leave, the school population falls, the mill requests a tax abatement, and property values decline. Under this scenario, the state-aid formula would also be cut, thus reinforcing the cycle of decline. The formula needs to be revised.

There is a need to revise the way the Department of Environmental Quality Engineering enforces the Massachusetts Oil and Hazardous Material Release Prevention and Response Act (M.G.L., Ch. 21E). This law states that any facility must be free of chemical contaminants before a sale can be made. In effect the law often prevents an owner whose business has failed from "bailing out" while the building is still usable. The law deserves to be applauded, but it has the unintended consequence of causing mills to be abandoned or closed for a long period of time. It would be far more effective if the law were revised to create a combination of incentives for the owners, the state, the buyers, the workers, and the town to fund the cleanup together. It is urged that the state institute a grant/loan program designed to "recover" old mills in distressed towns. Under such a program, the owners, state, and towns could all be required to participate financially. The owners could be required to market structures toward the type of use most beneficial to the community: for example, if the primary objective is jobs, owners would be required to market facilities to industrial users. Only after a careful sales effort (up to three years) failed to produce the preferred reuse might an owner be allowed to sell to a different market. This type of program could surely be a "win-win" situation.

There is a need to address regional tax-base sharing. It makes little sense that Monroe receives minimal funds from Yankee Atomic. Such a change goes against the tradition of home rule and would require approval of the state legislature. However, if this tradition continues, there will be towns that continue to suffer without access to due process and without the means to benefit from specific projects of regional significance. There is also a need to create policies designed to stimulate economic gain even in areas that appear "risky." In other words, rather than reacting to existing growth, the state must provide technical assistance, grants, and loans in anticipation of growth in distressed areas. Current policy largely runs counter to this point.

Finally, there is a need to create a special understanding of the role of economic development in rural and small-town New England that is nonagriculturally based. Too often, at the national and state levels, we equate rural and small-town living with farming, which frequently is not the case. Many areas have strong tourist, recreation, commercial, and industrial activities that support the local economies. Parts of Massachusetts are in a postagricultural era in which agriculture has only a minimal impact on the local economy.

#### Tomorrow

The Monroe situation, while an extreme, is not isolated. We predict that there will be many more such communities across New England in the coming years as more mills close, highways change transportation patterns, and local populations grow older. The problems facing these communities cannot be resolved locally. Rather, they require a strong, coordinated, and comprehensive effort on the part of state government. If such an effort is undertaken, there is some potential that they will recover and partake of the fruits of New England's recovery. If the effort is not undertaken, these areas are likely to take on the characteristics of the poorest parts of Appalachia. The choice is ours.

Tomorrow? ... ?

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