

Up with Downtown

By Jason Epstein

A New Deal for New York

by Mike Wallace

Bell and Weiland, 115 pp., \$18.95

1.

This exhilarating, great-hearted book of a mere ninety-nine pages, written by Mike Wallace, coauthor of the magisterial *Gotham: A History of New York City to 1898*,[*] is described with excessive modesty by its author as a compendium of ideas floated mostly by others for reconstructing Lower Manhattan and energizing the city as a whole. But the synthesis of these ideas, whatever their origin, and thus the force of the argument belong entirely to Wallace, who also claims that he wrote in haste and under pressure. But this is not evident in his spare, conversational, and vigorous prose.

To suggest, ideally, where New York might go from here, Wallace temporarily sets aside “the obdurate realities of money and politics” and, “starting from Ground Zero, Lower Manhattan, and the immediate imperatives of rebuilding and memorializing,” presents “proposals—many of them splendidly imaginative and eminently feasible—that embody citywide perspectives for change.” Having done this, he offers ways “to assemble the fiscal and political” means “to transmute these ideas into reality.” He hopes readers will rediscover New York City’s “lengthy tradition of effective governmental action on behalf of economic growth and social justice—in particular, the almost forgotten legacy of the New Deal,” hence the title of his book, which is, *inter alia*, a defense and an example of that pragmatic liberalism which has contended throughout New York City’s history and that of the United States with its no less creative adversary, frontier anarchy.

The Twin Towers were already functionally obsolete when they were completed in 1970, a late expression of New York City’s single-minded commitment since

the 1920s to high-rise commercial development at the expense of other uses, such as small-scale industrial work, the portal through which generations of immigrants entered the larger economy. An early example of this preference for high-rise development was the magnificent Rockefeller Center, followed after the war by the glassy monotony of Third and Sixth Avenues and culminating in the World Trade Center, built long after Lower Manhattan had “lost its unchallenged predominance” in the 1920s when “Midtown...established direct rail links...to the ever expanding suburbs.” Midtown developers seized the opportunity to displace the Downtown financial center by building “their own great office towers, which soon overmatched Downtown’s both in height and numbers....”

By the 1950s, Wallace writes, despite evidence of irreversible decline, David Rockefeller created the Downtown Lower Manhattan Association, a quixotic attempt to revive the old financial district by encouraging high-rise commercial construction even as “many corporate headquarters followed the white middle-class to the suburbs,” where rents were lower, schools were better, and crime and racial conflict were minimal. Between 1956 and 1974 “the number of Fortune 500 companies resident in Manhattan plummeted from 140...to 98.” By the 1980s Citibank had moved its back office work to Sioux Falls, followed by Chemical and other banks, including Rockefeller’s own Chase Bank, which increasingly performed their routine work in various “second-tier cities,” linked to headquarters by modern telecommunications and computers:

Between 1988 and 1995, New York City lost 57,000 jobs in banking alone.... Downtown was hardest hit. By the mid-nineties, more than 60 million square feet of office space sat empty—a quarter of the total stock, the equivalent of six vacant World Trade Centers.

By then Chase, which had built a postwar headquarters in the Wall Street area, hoping to encourage other banks to do the same, had moved uptown and merged with Chemical and later with J.P. Morgan, cutting thousands of jobs and shifting thousands of others out of town, despite a twenty-two-year commitment by Chase in 1988

in exchange for a city subsidy of \$235 million to keep 5,000 jobs in Brooklyn's MetroTech Center, many of which have now been moved to New Jersey.

Both the Port Authority of New York and New Jersey, which owns the land where the Twin Towers stood, and the developer, who holds a ninety-nine-year lease on the property, still hope to rebuild the 13 million square feet of office space lost in the attack; but this seems impractical as the financial industry continues to decentralize and Downtown real estate languishes. According to *The New York Times*, currently "there are 15.4 million square feet of empty office space downtown, more than the entire commercial market in Atlanta." Modern telecommunications make it increasingly unlikely that Lower Manhattan, where J.P. Morgan crossed the street to check the action at the Stock Exchange and traders did business face to face on the steps of the subtreasury, will ever again serve as the financial center that it had been since the Dutch owned Manhattan. For this reason Wallace proposes a different future for Ground Zero and Downtown generally, one compatible with its vigorous past but not bound to replicate its traditional function.

But what are the qualities of this past that Wallace would like to retain, and that enabled New York to surpass Boston, Philadelphia, and Charleston, all of them more prosperous than New York before the Revolution, and become, with the departure of the British, the nascent world capital of finance and the future megalopolis? Or to put the question differently, why did John Jacob Astor, a semiliterate fur trader with a thick German accent, leave Oregon to seek his fortune in Manhattan as countless other talented adventurers have done ever since, shunning Puritan Boston, Quaker Philadelphia, and the plantation seaports of the South? The question answers itself, for Astor, who founded a long-lasting dynasty, knew that while these other cities measured newcomers by their standing with God, class, and family, in which he was in all respects deficient, Manhattan, true to its Dutch origins, put money first and honored the men who made it no matter where they came from, who they were, or what, if anything, they believed in.

In *Gotham* Wallace writes, "New Amsterdam" was, purely and simply,

a market place...[whose] inhabitants...had a good claim to being the motliest assortment of souls in Christendom.... Waloons, English, Irish, Swedish, Danish and German,

not to mention Jews, Africans, Portuguese, as well as English dissenters fleeing the Puritan regime in Massachusetts. Willem Kieft, the director of New Netherland (i.e., the Dutch territory surrounding New Amsterdam subservient to the Dutch West India Company), who "was rumored to be ...a crook," and may have left France in a hurry and stolen money intended to ransom Christians from the Turks, had no reason to lie when he told a visiting Jesuit missionary in the 1630s that no fewer than "eighteen different languages" were spoken in New Amsterdam. In this unbridled marketplace a quarter of the town's buildings were grog shops and the magistrates had repeatedly to deal with such "bawds and doxies" as Nanne Beeche, who "notwithstanding her husband's presence [at a party] fumbled at the front of the breeches of most all of those who were present," while Grietjen Reyniers, wife of Anthony "the Turk" Jansen, was said to have "pulled the shirts of some sailors out of their breeches and... measured [their] male members...on a broomstick."

By the 1640s the upright Peter Stuyvesant had replaced the disreputable Kieft and wide-open New Amsterdam calmed down somewhat. Stuyvesant nevertheless deplored the arrival of thousands of settlers lured by "an imaginary liberty in a new and as some pretend a free country." Stuyvesant's fears were justified. The immigration raised "the level of irreligion, immorality and lawlessness in the colony."

Stuyvesant's difficulties, according to Wallace, were compounded by a Dutch commercial culture which "had no landed aristocracy to speak of"; where "urban capital dominated...agricultural production; and a decentralized political system ensured the power of merchant oligarchies over its cities." The more Stuyvesant insisted on his authority, Wallace writes in *Gotham*,

the more he was resented—above all by the

colony's burgeoning merchant elite.... Some thought he was mad. "His head is troubled," one said; "he has a screw loose."

By the end of the century, the British were in charge but had adopted the Dutch style of loosely regulated commerce. Under Governor Benjamin Fletcher the city opened its port to pirate goods, while Captain Kidd, a leading citizen, occupied a pair of townhouses on what is now Pearl Street, owned a pew in Trinity Church, whose steeple his crew had helped erect, and planned with Fletcher's successor, the ravenous Lord Bellomont, and Robert Livingston, the colony's richest man, the voyage that would end in Kidd's conviction for murder and piracy and death by hanging. A century later Astor's standing as New York's leading citizen was undiminished by his brazen transgression of the city's mandated checkerboard street pattern, as he developed Broadway in its immensely profitable northward progression at an unauthorized angle to the official grid, creating the tangle of streets and triangular "squares" that provide the jumbled, improvisational texture of Manhattan's West Side to this day.

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In his plea for government action on behalf of economic growth and social justice, Wallace chooses to ignore this anarchic and self-serving tradition deeply embedded in the city's character, as it is in human nature, and essential to its continuing success. Given his polemical intentions, this evasion is understandable. Readers, however, should beware that while New Yorkers have often been public-spirited and the New Deal was, as Wallace claims, invented largely by New York liberals, there is a contrary, less sunny New York tradition to contend with, of which Wallace himself is the best historian. When money is easily made and its pursuit becomes a mania, as in the Dutch colony and New York's own recent past, this anarchic quality flourishes, accompanied by ideological hymns in praise of *laissez faire*, Social Darwinism, free markets, or whatever else the uninhibited pursuit of private interest has been called at various times. When times are tough, as in the 1930s, the New York City fiscal crisis of the

1970s, and perhaps tomorrow as city, state, federal, and family budgets fall alarmingly short, free-market euphoria eventually gives way to appeals for "effective governmental action on behalf of economic growth and social justice." It is the ominous possibility of bad times ahead that gives Wallace's New Deal polemic its urgency and relevance.

Wallace writes that "most everybody" who has addressed the subject (except those with a stake in reconstructing the lost square footage) would like to reweave "the former superblock into the cityscape, replacing the vast and often desolate WTC plaza with New York's traditional gridded streets." (But why "gridded"? Manhattan's grid begins at 10th Street, far to the north. Downtown's ancient north-south streets, Broad, William, Smith, curved eastward, forming irregular side streets and squares.) Along these streets Wallace would like to see

some combination of many residences, offices, cultural institutions, and the kinds of retail shops once hidden below ground in the WTC's cavernous mall—a mixed set of uses that together will restore vigorous liveliness to a place so marked by death.

These teeming streets bustling with city life would surround a grassy civic space cum pilgrimage site combining the features of Brooklyn's Green-Wood Cemetery, a favored nineteenth-century picnic ground where New Yorkers relaxed and meditated on the dead; Union Square, "a place to mourn, sing, talk, debate, share, keep vigil, display posters," and so on; and Bryant Park, the restored area behind the Public Library—a "touch of greensward amid the bustle of 42nd Street...teeming with life...."

"It's generally agreed," Wallace writes,

that eventually some new Class A office space ought to rise Downtown. But there's also a chastened consensus that...the Financial Center is in fact Manhattan-wide, with important outriggers in New Jersey, downtown Brooklyn, Queens' Long Island City, Westchester, and Connecticut. The new vision is that of...a 24/7

community, with exchanges, clearinghouses, federal agencies, and brokerage firms at the center, surrounded by complementary high-tech information industries, offices, housing, retailing, and a bevy of cultural institutions.

Continuing to ignore, for the time being, “money and politics,” Wallace imagines a utopian Downtown transportation infrastructure in which the “dingy” Fulton/Broadway/Nassau Street subway station

would be transformed into a magnificent new Fulton Center hub... into whose aerated and reorganized chambers would flow a plethora of north-south lines.... The hub would also sit astride an east-west, underground Grand Concourse whose pedestrian walkways and moving sidewalks would traverse the island, with elevator banks ascending to ground level at regular intervals.

A spur to the Battery would connect with “a network of water taxis and high-speed ferries looping around the harbor with the regularity of their Venetian counterparts.” The eastern extension of the moving sidewalk would end at Water Street and connect with a new Second Avenue subway extending north to Co-op City in the Bronx,

affording a link to Metro North at Grand Central Station [which] would be newly connected, via the East Side Access Project, to the Long Island Rail Road—thus allowing suburbanites from east and north to join intracity Second Avenue subway riders on a straight-shot ride downtown.... [From there] they could stay aboard, as the line whooshed through a new East River tunnel toward downtown Brooklyn’s Atlantic Terminal.... Without ever leaving their seats, they could ride in comfort...directly on to JFK airport.

This would be an improbable vision even in the best of times, given the brutal competition for funding, but

hardly beyond the means of the world’s only superpower on behalf of its premier city, even as Washington prepares for war, promises a \$1.35 trillion tax cut to its richest citizens, and faces a recession or worse. During the depression of the 1930s, as Wallace notes, Washington, mired in a much worse economy and facing the prospect of war with a far more formidable enemy than Iraq, electrified the country’s rural areas, created the TVA, and deployed the WPA to build New York’s Triborough Bridge, Lincoln and Holland Tunnels, extend the West Side Highway, launch the FDR Drive, construct LaGuardia Airport, repair and paint fifty bridges, and build the Coney Island boardwalks. The WPA workers also laid forty-eight miles of sewers and 218 miles of water mains and in effect created the infrastructure of today’s city.

The New Deal and war years created the infrastructure on which much late-twentieth-century prosperity was erected. This is particularly true for the South and West, as the Sunbelt/Gunbelt was in crucial degree an artifact of massive government spending, something one would never know from all the whining about Big Guv’mnt that issues from those regions.

Wallace’s proposals include, in addition to a downtown transportation hub, a municipal commitment to affordable housing, a strengthened safety net for the unemployed, whose numbers and hardship will increase should the economy worsen, a revived light manufacturing economy, reconstructed port facilities, including a railroad tunnel linking the Brooklyn waterfront and New Jersey’s Port Elizabeth, and the vigorous pursuit of “eco-industrial operations—...and ‘green’ technologies to make, or re-make, items needed in other sectors of the economy.”

A utopian vision? Wallace, with the New Deal in mind, thinks not.

The USA is not Afghanistan, nor is New York Kabul. This is a rich city, in a rich state, in a rich country. We must therefore reframe the discussion by first asking “where’s the money

gone?"

"The blunt fact," Wallace writes, is that during the recent boom "a significant portion of municipal revenues got diverted away from the public treasury into private hands," unwarranted largesse "justified by the standard trickle-down...arguments of ideological privateers, who turned out to be mistaken." They were wrong, he argues, both about the generous payments made to induce corporations not to relocate (they would decide to stay or leave regardless of the subsidies, which some of those that decided to stay for reasons of their own nevertheless accepted) and about reducing taxes to improve the "business climate." The effect was, instead, to limit "precisely those public services private businesses need to prosper." The ongoing annual cost of these diversions "accounts for over half" the city's current \$5 billion deficit. Meanwhile, what Wallace calls "reckless tax cutting on the state level" has resulted in "a budget revenue shortfall of \$8 to \$10 billion next year," according to Abe Lachman, former secretary of the state Senate Finance Committee. By restoring at least in part these and other city tax cuts, such as the commuter tax (\$400 million) and the stock transfer tax (estimated at over \$8 billion in fiscal year 2002–2003), New York City would not only balance its budget without having to cut crucial services, but augment the services it now provides.

A New New Deal, however, will require federal support to undertake a range of projects that are beyond the means of cities and states and overcome, for example, "all remaining obstacles between us and the harnessing, storage, and distribution of solar power"; and to restore "intercity train travel...by underwriting development of the superspeed Maglev (Magnetic Levitation), the first fundamental innovation in railroad engineering since the invention of trains."

It is at this point in his argument that Wallace and his readers must summon up their courage, for the prospect of reversing federal policy under the present administration is negligible. "Certainly the fundamentalist Republicans holed up in the House would fight any such initiative to the death," he

writes, while the Democrats are "paralyzed," a sad story, so well known by now that Wallace simply states it, without elaboration. He wonders whether the moderate Republican governors who have "sought federal assistance in coping with recession-generated budget shortfalls that now total over \$40 billion nationwide" might challenge the troglodytes in the White House, but his wistful tone betrays his lack of conviction.

"So where does this leave us?" he asks at last, and answers "with an urgent need to re-nerve liberal Democrats into retaking control of their party," to which one can only shake his hand, wish him well, and sigh.

"In the year since September 11th, I've often been asked whether ...I believe...that New York will be utterly transformed [by the attack]," Wallace concludes. "My response is twofold. No, because a city four hundred years old and eight million strong is a social-historical organism with a fantastic amount of momentum; it cannot so easily be deflected from its path." But "Yes,...in the sense that so devastating a blow shatters encrusted pieties about what is and is not possible. The opposite side of disaster is opportunity," and "there are substantial grounds for believing that, under the press of hard blows and hard times, our audacious metropolis will again lead the nation in recalling our history, reimagining our future, and seizing hold of our collective destiny."

Painful as it is to say so, before the nation can be led to abandon its SUVs, tax cuts, and crude Social Darwinism and rediscover our "lengthy tradition of effective governmental action on behalf of economic growth and social justice—in particular, the almost forgotten legacy of the New Deal," a far greater disaster than the destruction of the Twin Towers, with its terrible loss of life, may have to befall us all, a disaster comparable to that of the 1930s, sufficient to dissipate the ideology of greed that sustains the incumbent administration, and to arouse instead the collective fear that brought our parents and grandparents together under the first New Deal. But we are not those Americans and the United States is no longer that country. Whether the present generation of Americans, among them Wallace's liberal Democrats—as yet untested by adversity— can set aside their personal interests, should the need arise, reimagine the common good, and pursue it, or whether adversity

this time will breed monsters is a question that does not cloud Wallace's optimistic vision.

Meanwhile Wallace has provided an inspiring glimpse of the city on a hill for the twenty-first century—a city committed to social justice, sustainable growth, and the general welfare. One hopes that he persists in his campaign, hopeless as it may often seem, and resists the temptation, which has seduced so many of those upon whom the achievement of his vision depends, to cultivate his garden.

Notes

[*]Edwin G. Burrows and Mike Wallace, *Gotham: A History of New York City to 1898*, Vol. I (Oxford University Press, 1999).