

Columnist Karen Rubin: Americans still can be 'exceptional'

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Around July 4, you hear a lot about American Exceptionalism. But what exactly is that?

A week before July 4, I was on the Erie Canal. You want to see American Exceptionalism, this is it. The Erie Canal is a marvel of ingenuity, of grit, of all those things that are associated with American Exceptionalism. It cost a fortune - actually four times (the canal was rebuilt three times, to adapt to changing technology and the needs of commerce - did you know that?). Twice of these massive building projects took place during war time - in the midst of the Civil War and during World War I.

The Erie Canal was not a popular idea at the time. It was disparagingly called “Clinton’s Ditch” and “Clinton’s Folly” - for New York State Gov. De Witt Clinton who championed its construction against forceful opposition. But in 1817, he managed to wangle the state Legislature to pony up \$7 million (that’s like \$7 billion, today).

But Peter Wiles, whose family company Mid-Lakes Navigation offers the opportunity to charter a houseboat to journey on the canal, noted, the Erie Canal turned New York City from a minor port into a major one; it put New York State on a global map.

More than that - as we discovered during our own journey - it facilitated innovations and new enterprises by entrepreneurs in the tiny villages and towns that owe their very existence to the Erie Canal - people like Luther Gordon in Brockport, who established a booming lumber business by being able to transport it to market cheaply, then established a bank as a repository for the Erie Canal tolls that were collected. Brockport was also where Cyrus McCormick found a factory to build his reaper, which could be transported to the farms in the Midwest.

You see where Henry Deland who put Fairport on the map with his idea to produce baking soda from wood ash which he transported to market on the canal (he went on to create the citrus industry in Florida, where he lost his fortune after an orange freeze); George Pullman, of Albion, who got the idea for the railroad sleeping car watching passengers travel by canal packet boats; and John Ryan who capitalized on the discovery of a special kind of sandstone during the building of the canal, and opened the first quarry, which then exported the building materials as far as Buckingham Palace, London.

Oh yes, the manpower for building the canal, mining the quarries, building the buildings came from immigrant labor from Italy, Ireland and Poland.

“More than just a heroic feat of engineering, the Erie Canal opened the interior of the continent,

providing a safe and reliable route for west-bound migrants and manufactured goods and east-bound products of forests, farms and mines,” reads a brochure describing the Erie Canalway National Heritage Corridor (established by Congress in 2000). “Connecting places, people and ideas, it strengthened the union and fostered social and reform movements. Celebrated in art, literature, story and song, it helped establish an American identity, both here and abroad.”

To the extent there was such a thing as American Exceptionalism, the Erie Canal was the vehicle.

We are now in the 21st century. The Erie Canal has been “repurposed” from commerce to primarily recreational use. Freight is a rarity on the canal - the occasional fighter jet being moved to a new museum or wind turbine.

Along the canal, the villages and towns that had developed because of the Canal and had been so prosperous, have largely shut down, with only an ember of rejuvenation, like in Pittsford, where a flour mill silo has been “repurposed” to an office tower.

But it is not just buildings that need to be “repurposed.” It is people, as well.

Downstate, we keep hearing about the persistent economic distress of rural towns upstate, and a great proportion of our income taxes flows disproportionately in that direction. Upstate, they blame onerous business regulation and taxes for their plight, rather than the lack of ingenuity and energy to come up with the new business ideas that would prompt a renewal.

The primary business along the canal - as we saw - were the inns and taverns and services to support the boats. Now that the canal is primarily being used for recreation, and apart from what Mid-Lakes Navigation has done with its canal cruises and canal boats, we saw a great lag in new enterprises along the canal catering to today’s travelers. What about a coffee shop that is open early, or a restaurant open late?

But all around, I see such potential - untapped, a failure of the vision, the creativity, the daring, the unstoppable character, and yes, the opportunity and the culture that the builders of the Erie Canal had: what about turning those shuttered factories - fairly magnificent structures - into business incubators? Or why isn’t it used to manufacture blades for wind turbines, or solar panels, which can be transported to market in the old-fashioned way, using the canal?

As we travel from town to town, we see the legacy of the Gilded Age - the more fabulous majestic mansions, public buildings and churches built up and away from the canal, which in those days, was dirty, smelly and was where the factories were and the rough and tumble laborers lived.

Today, the waterfront should be highly prized property, especially for the kind of townhouses we saw just outside Fairport. This part of the state could cater to retirees who leave Florida for cooler places in

summer; that would also spawn health care and hospitality enterprises, which in turn would support cultural institutions and other local businesses (just take a look at the retiree-oriented economy in south Florida, with shopping malls and medical buildings on every corner). Retirees are a great industry - they put money into an economy but take much less out of it.

The Erie Canal is a symbol and a symptom. It should be a model for renewed American Exceptionalism.

Indeed, the Erie Canal is featured in a new “New New York Works For Business” campaign, by the Empire State Development Corporation (<http://esd.ny.gov/>), seeking to reignite that “can do” spirit. The centerpiece of this new marketing campaign is a website (www.thenewny.com) that provides a gateway to New York State resources for businesses that are looking to start, expand or relocate in New York.

Actually, Gov. Cuomo is fulfilling his campaign promise and is doing a lot to reinvigorate the state’s economy. Cuomo hasn’t quite taken on the bold measures of a Gov. Franklin Roosevelt (who advanced hydroelectric power on the St Lawrence Seaway, a model for what FDR later did with the Tennessee Valley Authority during the New Deal), nor has Cuomo challenged the entrenched powers with anything approaching the vision and scope of an Erie Canal, like DeWitt Clinton, but he has created the mechanisms to promote new businesses.

While we were traveling in time as well as space on the Erie Canal, I learned (once I got to where I could access Internet) that Congress had passed, in the 11th hour, an extension of the Transportation Act - much more modest, \$120 billion, than it should have been, but even so, it is expected to generate 3 million jobs. This country has about \$1 trillion worth of infrastructure needs - crumbling bridges and tunnels, outmoded mass transit.

The Republicans held up this bill, which is traditionally bipartisan and passes without a hitch. The Republicans were unsuccessful in extorting anti-environmental provisions (approving the risky Keystone XL oil pipeline from Canada, the other preventing regulation of toxic coal ash waste from power plants) in order to pass the bill.

I also learned about the U.S. Supreme Court’s narrow decision to uphold Obama’s health care reform based on Chief Justice Roberts’ contention that the mandate provision is constitutional under Congress’ authority to tax.

Republicans seized on this calling Obamacare “the largest tax increase in history” (completely untrue), even though it would likely not impact more than 1 percent of people, who make a conscious choice not to obtain health insurance.

This country’s woeful inability to provide universal health care singularly contradicts any self-congratulatory title of “Exceptional.”

Among Industrialized Democracies, the United States is the only one that has not figured out how to provide health care to all its citizens, as a right, not a privilege. It is the only one that basically says that money is the arbiter of who can pursue “life, liberty and the pursuit of happiness.” It is the only one that says that money is speech, so those with more of it are entitled to more speech than others.

The affirmation of Obamacare brings us a step closer to every other Industrialized Democracy which already has universal health care, rather than have 50 million uninsured people who die prematurely, get sicker than they would have if they had timely and preventive care, who can't make the positive contribution that they might have made to society (American Exceptionalism!) if they were not ill, and who are a drain on the rest of society because when they invariably need health care, the rest of us pay.

On the other hand, the way that the Affordable Care Act, which reformed the private health insurance industry, survived the challenge ignobly: John Roberts decided it was more important to protect private insurance companies and in the process, weakened the Commerce Clause, the key instrument for the federal government in a 21st century global economy. He put another nail in the coffin of “we the people” in undermining the underpinnings of a democracy, and he did it for political reasons - that is, hoping to salvage the reputation of the Supreme Court which has become rightly perceived as a political tool.

Even John Yoo, that despicable deputy assistant attorney general who gave George W. Bush the legal permission to torture, suggested that Roberts apparently has misunderstood his job.

“Chief Justice Roberts has not just made a mistake of constitutional interpretation, but of political leadership,” Professor Yoo said in an e-mail reported in the New York Times. “His job is not to finesse the place of the Supreme Court in the political world, in which he and most justices are rank amateurs, but to get the Constitution right first and then defend the institution second.”

The fair and equal application of the rule of law is one of the fundamental pillars of “American Exceptionalism” - that is to say, one of the things that sets this country apart.

But it is hard to find an equal application of justice today, when you have a woman so poor she cannot afford to pay a \$150 speeding ticket, being locked up for 90 days by a private company hired by a municipality, and accruing fines in the thousands, including the cost of her own incarceration, has already suffered greater penalty than the banksters who literally vaporized trillions of dollars of wealth from investors, pensions and homeowners yet managed to walk away with millions and millions in golden parachutes (because contracts are inviolable, except when it comes to union workers).

And now we hear about a new scandal, involving major banks' manipulation of the LIBOR, a key interest rate that affects homeowners, businesses and individuals, encompassing Barclays, as well as

Citibank and JPMorgan Chase.

This is fundamental to the undermining of virtually every other measure, today, of what we used to associate with “American Exceptionalism.”

Those who make a claim to American Exceptionalism argue that the United States “brought democracy to the world.” Is that your measure? Even if that were true, this nation also deposed democratically-elected leaders (such as Allende in Chile) when it suited our (corporate) interests and propped up dictators (Shah of Iran, Saddam Hussein, Hosni Mubarak) when it suited our (oil) interests.

Even the notion of living in a democracy is now a matter of debate. Between corporations and billionaires being able to buy elections, and voter suppression efforts in more than a dozen states blocking millions who would otherwise be eligible and entitled to vote, there is little to point to as a model of free and fair elections in the world.

Today, this country is more exceptional for how badly we score on most key measures relevant to other countries: infant mortality, educational achievement, the greatest share of children living in poverty; the greatest gap in income between rich and poor; more people in prison per capita than any other country; and in the lack of upward mobility.

Yes, Upward Mobility, that most basic element of the American Dream, that one could rise up in the hierarchy of society based on one’s talent and effort, is now only a legend rather than reality.