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2005

### Like Crabs in a Barrel: Economy, History and Redevelopment in Buffalo

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#### Recommended Citation

John H. Schlegel, *Like Crabs in a Barrel: Economy, History and Redevelopment in Buffalo*, Center Working Papers, University at Buffalo Center for Studies in American Culture (2005).

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John Henry Schlegel

## Like Crabs in a Barrel: Economy, History and Redevelopment in Buffalo

When one hears laments about the state of Buffalo's economy—and one does hear such laments quite often these days—that economy is usually measured against an assertedly normal or healthy economy, usually the City's economy in the Fifties. Almost as often one hears ideas about what might improve Buffalo's economy. Generally these ideas can be gathered into two groups, one nostalgia for those high wage, unionized, grunt jobs that everyone remembers from the Fifties and the other pining after whatever seems hot elsewhere in the country – high tech, biotech, architectural tourism, gambling.

Interestingly, neither these laments nor their accompanying ideas for improvement seem to be informed by much of any theory about economic development beyond "Do what once worked" or "Do what everyone else is doing." That what worked in the past is not working now seems a pretty good indication that this idea does not present a viable path for development. Similarly, doing every one else is doing is plausible only if there is an infinite need for what everyone else is doing, a rather unlikely state of affairs.

The commonly heard laments and ideas are generally accompanied with five common notions about Buffalo and its history, as well as about economic development more generally.

1. In the Fifties the City of Buffalo had a great, sustainable economy that unfortunately went downhill when the Thruway, the Seaway, the suburbs and high labor costs sapped its vitality.
2. The Buffalo area has lost the manufacturing jobs essential to a growing economy.
3. The decline of the City of Buffalo's downtown impedes growth in the area called Buffalo because a healthy downtown is essential to any thriving community.
4. The undertaking of great public works – parks, buildings, bridges, stadia – is

an essential catalyst for economic growth in this or any other area.

5. The decline in the Buffalo economy that has caused our kids to leave home has to be remedied by building an economy that will keep them from leaving.

All five of these ideas seem demonstrably false, as I hope to show in what follows. In order to do so I wish to come at the problem of economic growth from a simple theoretical understanding of that elusive phenomenon and then to test my understanding by offering my readers a look at how the history of Buffalo's economy might suggest other, different ideas for development.

Consider the possibility that what makes for a lively economy is a combination of local competitive advantage and a viable political unit that can provide support for that advantage. Local competitive advantage can be found in the combination of geography and of local resources that make it plausible to produce something that someone else wants. A viable political unit can be found in the combination of a local government that possesses territorial powers sufficient to aid in its development an area's competitive advantage and of a local political community committed to do so. More simply put, an effective strategy for economic development requires combining a local resource that others want with a political structure and community will capable of making that resource available.

I wish to ignore the possibility that my understanding of economic development is somehow flawed. There will be plenty of time for others to argue for other understandings. Instead, I shall begin with Buffalo as a place, with geography in the early Nineteenth Century. So, follow me down the rabbit hole of Buffalo history. Hopefully, when we come up again we may see things that are obscured by the daily laments and recurrent ideas that fill newspapers, the pronouncements of the "movers and shakers," and the idle cocktail party chatter of those who can afford to go to such parties.

## **THE DEVELOPMENT OF BUFFALO'S ECONOMY**

Though often talked about as the ideal transshipment point between the Erie Canal and the upper Great Lakes, Buffalo is anything but. It has a terrible harbor with a shallow draft further limited by the limestone close to its silted bottom. The prevailing southwest winds are guaranteed to help the current flowing from Lake Erie into the Niagara River deposit sand at the mouth of the Buffalo River, a stream whose course is so serpentine that someone should have understood that it was guaranteed to silt up regularly for lack of water flow. And in winter

the harbor will freeze solid for two to four months.

Indeed, the entrepôt – place for meeting to exchange goods – that is Nineteenth Century Buffalo is an accident of geology and politics. Were it not for the rapids in the Niagara River at Black Rock, the more plausible terminus for the Erie Canal would have been at Tonawanda Creek where a harbor could have been constructed that was sheltered from the prevailing winds by Grand Island. Even the mouth of Scajaquada Creek, just upstream from Black Rock, may have been a better harbor, sheltered as it is from those same winds by Squaw Island. But the rapids were there and when it came to raw political might the tiny community located at the mouth of the Creek lost out to the slightly larger one to the south. The canal boats would end their trip at Buffalo by traveling inland after clearing the locks at Black Rock.

Not only is Buffalo an accident of geology, but three of its major industries and one of its constituent ethnic populations are accidents that followed from the first. A significant portion of the immigrants who traveled via canal boat to the ships that would take them into the Western Reserve and beyond were Germans. Some of those dropped out of this human stream rather than go farther west. They were schooled in the great German tradition of metalworking and so set up forges and foundries or provided the trained labor for the forges and foundries set up by the English immigrants who had preceded them.

And then there came the railroads. The first of these to reach Buffalo, the railroad that became the New York Central, followed the route of the Erie Canal, both for competitive reasons and, because the Canal's route, though not the shortest one from New York City, was the one with the gentlest grades. Indeed, an alternative route along the Pennsylvania border was pioneered by the Erie Railroad, a route that terminated at Dunkirk and so is responsible for the industry there. The Erie nevertheless came to treat its route from Hornell to Buffalo as its mainline, so significant was the fact that both routes to Chicago – along the south shore of Lake Erie and across Southern Ontario and Michigan – terminated in Buffalo. Other railroads followed, most importantly the Lackawanna, the Lehigh Valley and the Pennsylvania, all funneling into, and so congesting, the area east of Main Street and north and south of the Buffalo River where they could meet the lake freighters that, at least initially, had been drawn to meet the canal boats.

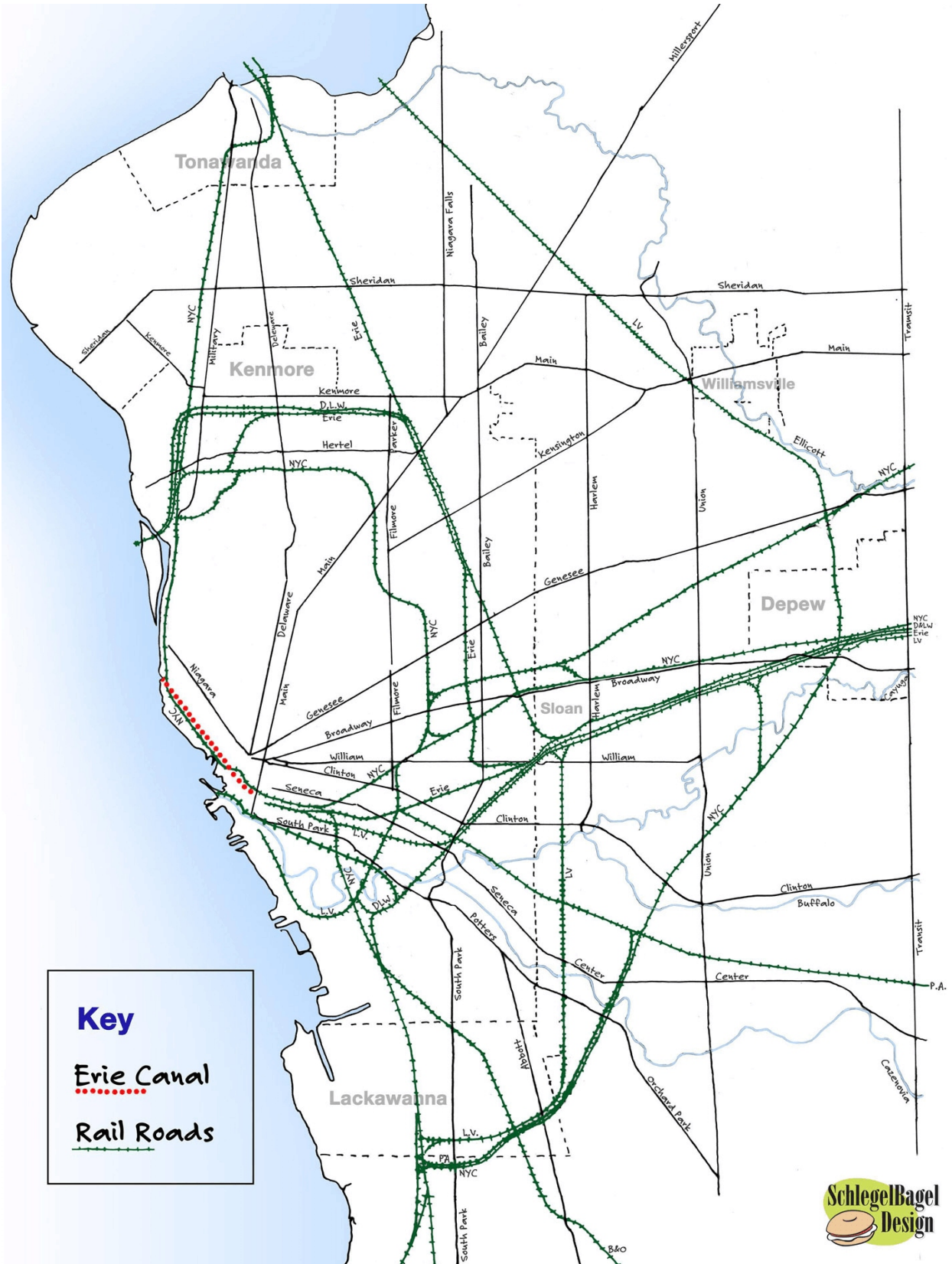
The development of the mechanical grain elevator in Buffalo meant that it was plausible to store grain from the Midwest at the port despite its ice bound harbor and then move it, as needed, to the flour mills further east. So came an annual ritual, the great rush of grain boats trying to beat the icing over of the harbor, the last few planning to winter over to provide

additional storage capacity. Water transport of grain made plausible the concentration of elevators along the relative shelter of the Buffalo River and so provided an additional source of income for the Irish immigrants who had settled in the nearby area after completing the building of the Canal. Thus, the basics of the Buffalo economy came together – metalworking, rails and grain – with the existing population of English settlers and French traders, and their Irish and German successors, to form the backbone of the mid-Nineteenth Century city.

But this largely trading economy did not turn into the industrial economy that we associate with Buffalo in the Twentieth Century without other resources at hand. Foremost of these was surely the cheap electric power from Niagara Falls. While the Falls had long been harnessed for mechanical power, the development of large turbine generators and an alternating current electrical system that could transmit power to over longer distances opened the City to many possibilities. Most obvious was the shift of Buffalo from grain storage to flour milling through the use of large electric motors. Thus, a transshipment trade could be turned into one purveying a higher value product directed toward ultimate consumers – commercial bakers and householders.

The availability of electric power also aided the establishment of a steel industry in Buffalo, where the great electric motors provided power for the rolling mills and the great blowers required by both the blast and open hearth furnaces. Here, water and rail transport proved crucial. Water brought iron ore from Michigan and Minnesota; rail brought the necessary coal from Pennsylvania and delivered the finished product that was made, in part, with local limestone. Once steel was regularly available, the existing metalworking industry simply expanded in all directions, though most notably toward automobile and aircraft manufacturing. These industries supplied the jobs that brought the great diversity of Eastern and Southern European immigrants to Buffalo in the years on either side of the turn of the century.

At least through the early part of the Twentieth Century, the City of Buffalo, essentially co-terminus with early Nineteenth Century Town of Buffalo, seems to have been both a viable political and economic unit. Trade, transportation, metalworking and electricity, these factors created the economy that made possible the Pan-American Exposition, made Buffalo, the City of Light. They also gave it the physical structure that still is lived by its current residents, as seen in the map on the following page.



The Erie Canal met the lake boats and the railroads, cutting the city off from its waterfront almost from the beginning. Industry gathered along the main rail lines from the east, south and west, as well as along the Canal and the Buffalo River. Attempts to avoid transportation congestion in the waterfront area brought the rail lines that further carved up the City, while at the same time created a municipal core in the area surrounded by the New York Central's meander up the mid-East Side then across town to the International Railroad Bridge by a route north of Delaware Park and south of Hertel.

The only significant evidence that might suggest that the turn of the century city and its economy were not well matched was the establishment of the Village of Sloan on Buffalo's eastern border, a play by the Lackawanna Railroad to avoid Buffalo's real estate taxes on its yards. Perhaps the choice to locate the great Lackawanna Steel works outside the city to the south is of a piece, though here, the decision of a different group of investors to build a competing steel plant just north of the more famous works, but within the city, might have suggested to the contrary had that plant survived the panic of 1907. Indeed, it seems implausible that a political entity that by 1900 had grown into being the 8th largest city in the United States was poorly matched with its economy. Which is not to say that that Buffalo's political culture was all that healthy. It took over fifteen years to connect the New York Central Railroad's trackage to the east, terminating at Washington and Exchange, with its trackage north to Niagara Falls, terminating at a point west of the Canal at Erie Street, a distance of about 1/3rd of a mile. During those years ending in 1896, the City, the city fathers, and the railroad argued and litigated endlessly over rights and costs.

### **THE DECLINE OF BUFFALO'S ECONOMY**

If Buffalo's was a healthy economy in 1900, what brought about its decline? The answer to such a question is not the same for all cities, but depends on the kind of economy that a particular city was built upon. For an entrepôt, a change in transportation patterns is key; for an industrial economy, it is changes in technology, transportation costs or what people want. In either case it is an alteration in the underlying competitive advantage that a particular locality possesses. Moreover, for a city that is both, the two can interact if changes in transportation patterns reduce competitive advantage. On the political side, outgrowing a viable political unit without creating a substitute or encountering persistent dissention within a once viable political unit, may not cause economic decline, but surely neither retards it nor helps build another economy around new locational and resource advantages. So, let us examine the particulars of Buffalo's decline.

Buffalo's economy peaked somewhere between 1900 and 1920 when the City had slid from the nation's the 8th, to its 11th, most populous city. I choose to date it from 1916, the year that America's railroad system began its decline by registering the first decrease in active trackage since 1830. Two World Wars masked the decline of the railroads, as did the Depression. However, even in the Depression years, the shift to truck transport had already become noticeable enough that in 1939 a Federal commission proposed building what would become the Eisenhower Interstate Highway system some eighteen years later, on the ground that truck traffic was already clogging the nation's roads. As the highway system grew, less than carload traffic fled the railroads, then full carload business, too. Oil and chemicals increasingly moved by pipeline and truck respectively, and grain by barge. Perishables moved from traveling in regularly iced boxcars to air conditioned tractor-trailers. And, of course, personal cars and airplanes eventually moved almost all of the passengers that once moved by rail.

In Buffalo the design of the city's trackage created its own problems, even before these nationwide changes were felt. By choosing to deadhead the various railroad's mainlines from the east near the end of the Canal or at the waterfront, both passenger and freight trains not beginning or ending at the city had to pull into the terminals there and then be backed or pulled out in order to continue on their way. This was annoying. And the great freight yards on the East Side, sized and built for an earlier era, had become significantly congested by the late Nineteenth Century. In response, in 1897 the New York Central opened a line around the City to the southeast and in 1907 the Lehigh Valley did so as well. Indeed, it was the necessity to pull into and then back out of the downtown yards, together with the crowding at the old station, that caused the move of the New York Central's passenger terminal from downtown to the East Side in 1929. With a bypass track and a new station, there was no reason for that line's trains to stop in Buffalo, except to pick-up and drop-off passengers, supply local industry or change crews.

Local industry too had its problems. Start first with steel. The decline of the American steel industry dates back to the Depression, but again was masked by World War II, the Korean War and to a lesser extent Viet Nam. Capacity increased for a while during the 1940's, but almost all of it was built using the by then quite old, open hearth furnace process. After the Korean War no investment was made in basic steel making, except for the building of a few wholly new plants. In contrast, European and Asian steel makers who rebuilt after WWII, rebuilt with the latest technology. As installed American capacity wore out, the industry simply contracted. Eventually mills were closed and newer processes – the basic oxygen furnace and continuous casting machines are the best example – were only occasionally used to make up for lost capacity.



The decline of Buffalo's steel making business followed the general pattern of the industry. Though Republic Steel bought land – Tiffit Farm, the Lehigh Valley Railroad's waterfront yards – in the early Fifties for purposes of expansion, the site was never used, except as a dump. And Bethlehem built a new galvanizing mill in the late Fifties that is still viable, proving that investments in the best new technology might have paid off. But, in general, from an employment peak at the end of WWII, the local industry slowly contracted so that it was gone by the early Eighties. It didn't matter that coal was near and iron ore deliverable by lake freighter. Lower cost production abroad, combined with lower cost ocean transportation, made it unprofitable to continue production in Buffalo, just as in Chicago, Cleveland, Pittsburgh and Youngstown.

Steel-based manufacturing is a more mixed story. The foundries that predated the mills and lived off its products have slowly disappeared. So did some storied names – American Standard (plumbing), Burroughs (steel furniture), Buffalo Forge (industrial fans), Fedders (air conditioners), Gould Coupler (railroad couplers), and the Pullman Car Co. But some firms remain. Ford has a stamping plant, though it did not replace the big assembly facility on the waterfront, the second plant that Henry Ford built in Buffalo after he chose the city for his first plant outside the Detroit area. General Motors still has an engine plant, and both an axle plant and a radiator/air conditioner plant survive, though under different ownership. Worthington Compressor still seems viable and American Brass limps along. But no one would identify Buffalo with metallurgical products any more.

Then there is grain. The American grain industry has anything but declined in size or importance. It still produces and exports enormous agricultural surpluses after processing all that Americans need. However, milling has moved from the East to the Mid-West, as changes in freight rates for flour made the cost of electricity a less significant a consideration. Equally important, the completion of a system of locks and dams on the Mississippi and the dredging of a deep-water channel to New Orleans has meant that the export trade has moved from the East Coast to the Gulf.

Buffalo's position as the largest grain port in the world declined in tandem with this national change. Thus, it is not the completion of the St. Lawrence Seaway that ruined the grain trade, an ancient Buffalo canard. The transshipment of grain in the Port of Buffalo declined before the Seaway opened. Rather, it was the choice of milling companies to build new plants closer to the farms and the diversion of the export trade down the Mississippi (and later to Seattle) that doomed the elevators and mills. Thereafter, the loss of favorable rail rates for grain to and from Buffalo added insult to injury. Yet here, interestingly, good management-union relations slowed the progression and indeed sustains the continuing presence of General Mills on

Ganson Street, along the Buffalo River.

Two near misses for the Buffalo economy should also be noted. Buffalo was once a center of aircraft manufacture. Curtiss-Wright had opened a factory here before WWI and so did Consolidated-Vultee, the predecessor to Bell Aviation. As a result, Buffalo had an airport before New York City. Oddly, there was even a seaplane factory here, and a seaplane port and assembly plant at the foot of LaSalle Park. This enterprise foundered after an incident when, one March, a new model was triumphantly pushed into the Niagara River to be flown to its purchaser the next day. Unfortunately, over night the wind shifted and, in the morning, the officials gathered for the great event found that the plane was trapped by lake ice.

During WWII both Curtiss and Bell had enormous workforces and produced thousands of fighter planes. But after the war, Curtiss shut its plant, moving its limited production to Ohio, and Bell, though it did some great engineering, lost out on jet plane contracts and built its helicopter plant in Texas where it could test completed planes all year round. Unfortunately, neither firm built bombers during the war, the planes that in civilian garb created the commercial aviation industry we know today.

The other near miss was electrical equipment. After the war, Western Electric and Westinghouse moved into empty war production facilities, Sylvania built a research facility and General Electric even manufactured television sets in Batavia. Little of this manufacturing activity lasted past the Seventies as production of electrical equipment moved both South and overseas. Here, in contrast to the grain trade, poisonous labor relations at Westinghouse, where the more left wing, United Electrical Workers, and the more right wing, International Union of Electrical Workers, battled for shop floor control, meant that local conditions did not help the industry to limp along over the long term.

Given this depressing tale, it might be asked why Buffalo has a sense of recent greatness, of the oft told tale that in the Fifties people from Toronto came to Buffalo to experience life in the big city. Though the City of Buffalo had dropped from the 8th to the 15th largest city in this country in 50 years, the post-war years were kind to Buffalo and cities like it in the Northeast. At the end of the war the United States was the last man standing in the graveyard, the only viable economy in the northern hemisphere. It had decided on an economic model structured to provide high wages supported by high prices, an economy that brought tremendous middle-class growth.

The ability to fill the abandoned war plants, when combined with Federal support for home

ownership, meant that the area saw significant growth as the returning veterans established families. This growth was destined to be in suburban areas, since for all practical purposes, the City was effectively built out. Growth outside the city limits, together with an otherwise buoyant local economy at a time when it was accompanied by a national sense of well being, hid the fact that the city's decline had been of long standing. It was only later, when the Viet Nam war did not provide a lift to Buffalo's economy beyond the reduction of potential unemployment provided by the military draft, that collapse was felt as ocean transport innovations and trade policy began to undermine the high wage, high price economy. Cheaper imported goods began to displace domestic production.

### COMMON UNDERSTANDINGS OF WHY BUFFALO'S ECONOMY DECLINED

With this bit of economic history explicated, it is now possible to evaluate the five common notions about Buffalo's economic history that were identified earlier:

**1. In the Fifties the City of Buffalo had a great, sustainable economy that unfortunately went down hill when the Thruway, the Seaway, the suburbs and high labor costs sapped its vitality.**

This notion is relatively complicated to evaluate because it lumps so many things together. Most importantly it simply ignores the slow decline of the city's economy over many years. Railroads had declined in their importance for the American economy long before the Thruway was built in parallel to the New York Central's mainline. The Thruway was evidence of the decline in rail, and the shift to truck transportation, though of course it accelerated that decline. Buffalo was not bypassed by truck traffic because of the Thruway, but because the city was not a destination. Contrast, Columbus, Ohio, and Indianapolis, Indiana; both are destinations because, given their geographic location, they function as regional corporate offices with their accompanying product distribution facilities. They exploit their location just as Buffalo did in the Nineteenth Century. Likewise with the Seaway; as noted earlier, the grain trade had begun to shift away from Buffalo before the Seaway was opened. With the diversion of the grain trade to the South and West, Buffalo lost its geographic advantage.

Moreover, if there were to be any growth in the Buffalo area it was going to be suburban growth. Not only was the city effectively built out by the time that the Fifties rolled around, its dominant housing stock – the wood frame, two flat – was not attractive to the young marrieds who fueled suburban growth. They preferred small Cape Cods to any kind of apartment living. Moreover, the places where suburban growth first took place – Tonawanda and northwestern

and southwestern Cheektowaga – were remarkably close to jobs and modes of transportation that were already available. Initially, at least, people moved to be near to the job they had or hoped to obtain.

In contrast, the question about high wages driving industry away is more mixed. The truth of this assertion would turn on whether the high wages were paid for high skills or whether they were examples of the kind of river piracy – collecting tolls from passers-by – that both capital and labor love to extort when possible. The degree to which wages in Buffalo were one or the other is a more complicated problem than most people are willing to admit and is probably mixed in any industry. However, the effect of difficult labor relations does seem to have had some modest effect on local industrial viability as the contrast between fate of the grain and the steel industries tends to indicate.

## **2. The Buffalo area has lost the manufacturing jobs essential to a growing economy.**

This notion is, compared to the previous one, reasonably simple, and simply wrong. Only twenty percent of jobs nationwide are in manufacturing. A whole run of areas – suburban Washington, D.C.; Kansas City, Kansas; Omaha, Nebraska; Columbus, Ohio; Albuquerque, New Mexico; Phoenix, Arizona; Denver, Colorado; and Salt Lake City, Utah – have enjoyed enormous growth without being dependent on manufacturing. Buffalo might do so as well, though of course, it would be a different Buffalo.

## **3. The decline of the City of Buffalo's downtown impedes growth in the area called Buffalo because a healthy downtown is essential to any thriving community.**

Concededly, a healthy city center accompanied urban growth in the late Nineteenth and early Twentieth Centuries. Whether that is true today is an open question. Almost all of the thriving areas identified above have downtowns that are primarily white-collar employment destinations, while shopping and entertainment centers are scattered around the core, often in areas that support their own white-collar workforces as well. Such may be the human scale response to the growth of dispersed cities, but even if not, this phenomenon suggests that it is doubtful that any "rule" about healthy areas and their urban cores ever existed, except as related to dominant forms of transportation.

Moreover, the actual location of a city's center is not a particularly important question. Historically, all sorts of cities have had their center move. London and New York are significant examples. Even Buffalo has seen its center move from the Waterfront, a bitter dark

world of saloons, crime and prostitution, to its present location. And notably, that movement ultimately destroyed once vibrant neighborhood centers, such as Broadway and Fillmore, lower Grant Street, Riverside, and Bailey and Kensington. Once these were the equivalent of such contemporary shopping areas as Niagara Falls and Maple or Walden and the Thruway. Perhaps we should celebrate, not denigrate, the re-emergence of vibrant, local commercial areas.

**4. The undertaking of great public works – parks, buildings, bridges, stadia – is an essential catalyst for economic growth in this or any other area.**

This idea is downright silly, as the amount of economic growth stimulated in Orchard Park by Ralph Wilson Stadium attests to. It confuses the creation of urban amenities, always a good thing, with questions about a government's role in economic development. Decisions about public expenditures may advance development, though when and how is a highly disputed question. In contrast, it would be hard to dispute that governmental actions can easily impede economic development. Lack of water and sewers, roads and transportation facilities can be a significant detriment, just as can poor investment in such facilities – the Buffalo subway comes immediately to mind.

Looked at less narrowly, the governmental action that is most likely to be a catalyst to economic development is a welcoming openness to it and a minimum amount of delay and public acrimony over the process. A community-wide understanding that all economic development is going to displace existing commercial relations in any community likely aids development as well. It is important to remember that it is only by displacing existing economic forces that capitalism earns its hoped for returns on investment. In this country at least, the wish that economic development would come without capital destruction is a fantasy of my German socialist ancestors. Would that it were true.

**5. The decline in the Buffalo economy that has caused our kids to leave home has to be remedied by building an economy that will keep them from leaving.**

This seeming truism is anything but, for its truth depends on the economy and the kids in question. Most growing economies will cause some of the children born in the area to leave home. The much-vaunted high-tech economy will send away those children whose education, interests and skills do not fit with that economy. Similarly, a heavy-industrial economy will send away those children who are not strong of back or are better suited to white-collar jobs. Even a truly mixed economy will only support the employment of its children to the extent that the birth rate does not exceed the retirement rate, plus any economic expansion. And even

then, in a truly national, now international economy one would have to wonder why an island economy, disengaged from the flow of life, would be seen as desirable.

Taken together these five notions really add up to a single hope: You can go home again. Whatever one can say for Tom Wolfe's hero, George Weber, if home is the false glow of that peculiarly insulated, hot house economy that was the Fifties in the United States, the answer to that assertion has to be that such is an impossible hope. So, it is time to go even farther back in our journey and examine again at what makes for a lively economy – a combination of local competitive advantage and a viable political unit that can provide support for that advantage – but this time from a contemporary, not an historical perspective.

### **THE POSSIBILITY OF ECONOMIC DEVELOPMENT TODAY**

Consider first the competitive advantage from location and resources. "What does the region called Buffalo have that someone might want?" Well, traditional locational advantages clearly have been exhausted. The export/import trade left long ago and whether the truck traffic to and from Canada crosses at Buffalo, Detroit or Lewiston, there still will be a negligible impact on the region's economy. As for newer locational advantages, the area is still a great place to live and raise children. While it cannot compete with the southern claim to endless summer, the area is warmer than the Midwest in winter and cooler in summer. That is not a bad support for middle-class life.

Questions of resources are more difficult. Clearly, at this time Buffalo possesses no important natural resources, at least until access to fresh water becomes such in 50 to 100 years. Two unnatural resources are often touted. The first is a group of possibilities – architectural tourism, gambling and conventions – that are just silly as a basis for an economy. Buffalo has some wonderful surviving architecture, but let us face it, Buffalo has no French Quarter, no Old Town, no Greenwich Village. It does have a waterfront, but as is shown by San Diego's continued growth after it chose to cut off access to half of its waterfront by building a convention center there, waterfront development is nice, but not all that it is cracked up to be. Even more important, tourism, as Niagara Falls demonstrates, is a lousy basis for an economy. Gambling may have succeeded as the economic basis of Las Vegas, but everywhere else, even in Atlantic City, it has not been a big success. The reason is simple. An economy builds a vibrant area to the extent that it provides decent, middle-class jobs. Tourism and gambling do anything but that. They provide lots of low wage employment. There is very little return to the community as a whole from such jobs. Visitors leave money behind, but by the time it is split up, no one gets much.

The second resource recurrently identified is our hospitals and UB's Medical School. This idea is bewildering to me. Buffalo sits in between two regional medical centers – Rochester and Cleveland. What might the area offer that these two cities can't? This question is hard to answer, except for the lack of a comprehensive cancer treatment center in Rochester. More significantly, health care in the United States is a perpetual disaster. It is difficult to fathom why anyone would bet that whenever the national system settles down so that health care is profitable and throws off a continuous stream of good middle-class jobs, Buffalo will have generated the right mix of services at the right price. After all, the city has two hospital systems – Catholic and Protestant – that charity requires that I say get along somewhat difficultly, and a public hospital that is continuously on the ropes. All have an excess of hospital beds, a resource, but a dubious one. Two scrawny dogs fighting with a crippled third over a bone is not a likely base for spurring economic development.

While these two resources are dubious in the extreme, two less obvious resources have a bit of promise. First, there is higher education. Historically, areas with a large concentration of higher educational alternatives seem to have thrived because such institutions generate a lot of middle-class, faculty and administrative jobs. Buffalo has a substantial excess of this resource. Unfortunately, as in the case with health care, it has a religious problem, evidenced by the hateful, but nonetheless revealing, canard that the UB is part of the State University of Jew York, and exacerbated by the fact that the Catholic colleges cannot even form a modestly integrated system, much less the equivalent of the Claremont Colleges. But students from all over the world come here for education, albeit not in great numbers. More importantly, they leave, hopefully better prepared for employment than they might have been elsewhere. Thus, higher education could be seen as a classic import/add value/export business. Moreover, focusing our institutions of higher education on that business has the added advantage that imported students do not need local jobs after finishing their education. So, if religious separatism could be overcome, there might be some potential for building economic development on the basis of significantly expanding higher education.

Second, there is that unspoken resource, our children. Though making this statement brings forth thoughts of Jonathan Swift's famous essay, "A Modest Proposal," I do so seriously. Buffalo is a third world country, as the urge to develop an island economy indicates. Like such countries, we must export or die. The ability to export our children could be an unacknowledged resource. To build an economy on higher education, an import/export business, requires the willingness of first-rate scholars and teachers to live in the Buffalo area and to stay when fancier schools call. Here we might have a comparative advantage. The area has a more plausible climate to offer than in our perverse machismo we usually admit. And

Buffalo is a great place to raise children, large enough to allow them a sense of freedom and small enough to keep parents from an overwhelming sense of panic. Academics form classic middle-class families. The value of a good primary and secondary education system to such families cannot be underestimated. Here, the state of our public schools is a troubling problem. Were we to attack that problem – the notion that we, or anyone, will "solve" it is implausible – we would have an additional resource for securing and retaining the quality of scholars and teachers essential to a higher education import/export business. These individuals will raise more children than the area can absorb, even if higher education becomes a growth industry. Their perception of the quality of the potential exports that would be their children will influence their willingness to come and stay. That willingness in turn will influence the quality and volume of the potential imports that will be their students, the rock on which any such business will be built.

When one looks at the other aspect of competitive advantage—a viable political unit that can provide support for any chosen advantage – one looks in vain. First, it is clear that the City of Buffalo is not such an entity. Maybe Erie County could become a better choice, though obviously it is not now. Joining Erie and Niagara counties only doubles the number of implausible local economic units. Joining Buffalo and Rochester, and so focusing on the eight Western New York counties, may provide a more diversified economic base, but does so at the cost of creating an entity that is probably too large to think of as a local government. So, I will stick to Erie County and the governments within it.

However, doing so leads to a second impediment to developing a competitive advantage in the area – its local politics. Here I am reminded of a timeless black metaphor from tidewater Maryland and Virginia – "Like crabs in a barrel; when one tries to crawl out the others pull it back down." Local political life in Western New York is a matter of "Me too, or you get nothing," a matter of multiple participants who have veto power over anything that is proposed to be done and who will run to law at the least provocation to stop something that is in the least bit distasteful, or even benefits someone else and not them.

This attitude is not just found where actions require the cooperation of the many units of local government. Admittedly such cooperation is made difficult by a legal rule, enshrined by a 1927 amendment to the New York State Constitution, that makes it effectively impossible for larger local units to expand by annexation, a grotesque limit on sensible local governmental growth, done in response to the fear of Westchester County that New York City would annex part or all of it. But, "Me too, or you get nothing" is also the mantra all of local public authorities, each of which has its own mission, constituency, political appointees and patronage jobs, as well as



that of individual departments within any local governmental unit. And, one should not forget all the neighborhood associations and civic betterment groups, unions and varying religious organizations who want, and often have, a veto too. As a result we have multiple small units each fighting for the last scrap of meat from the bones of a very scrawny chicken and yelling about graft and corruption on the part of everyone else, a joke to a boy who grew up in Chicago where we knew what real graft and corruption was.

Were there an effective political machine to impose an answer to pressing problems, there might be some way to move forward, but instead we have four political parties, some containing several factions. Each piece of our panoply of interested parties, indeed each elected official, has a standard answer to all questions, "What do I get out of this?" And so, the dribbling away of Buffalo's Community Development Block Grant funds into tiny local projects supporting each Council member's local political base is an open scandal, as is each County legislator's similar use of member items. In both institutions, the fight for personal staff is unseemly at best, more likely unconscionable. So, in a deeply troubled area, every player on the "team" fights for individualized credit with respect to a gain of inches when that team is on its own eight yard line, to use a particularly apt Buffalo sports metaphor. And this behavior is not just a matter of City or even County politics. The Town of Amherst's government is a constant embarrassment to my tax dollars.

### **LIKE CRABS IN A BARREL**

The behavior of the allegedly private sector and well-meaning, public citizens is no better, drenched as it is in nostalgia and cries of "Not In My Back Yard!" The Peace Bridge debacle is only the most current example of public-spirited citizens joining together to slow a public project down, but unable to agree about anything. There is also the great Commercial Slip restoration project, a piece of real estate so valuable, of such grand historical significance, that that in 1936 it was an auto dealer's storage lot for new cars. Or consider the now long past fight over the expansion of the Buffalo Zoo into Delaware Park, when as well meaning a group of opponents as one could find, though one that seemed unable to understand that the use of parkland has changed significantly between Olmstead's day and our own, stopped the creation of an attraction that might have become more than a footnote in travel magazines. Thereafter, two different, but similarly shortsighted groups blocked the Zoo's move from the Park to a larger space elsewhere in the community. The endless disputes over the location and structure of the subway, a dispute that dragged out so long that the project never reached its intended destination because inflation ate up a large portion of the grant, is yet another example of these two great forces – nostalgia and NIMBY – at work in our public culture.

More private, though anything but purely private, fights have the same complexion. There is the unseemly fight over relocating Children's Hospital to a more central, less disruptive location. Or the legislative understanding that keeps the Buffalo Philharmonic from offering a concert series other than at the admittedly breathtakingly beautiful Kleinhans Music Hall, a location that screams of the lost past of an effective public transportation system, as well as of a gentility that has long departed from our scene. But the granddaddy of them all is the Outer Harbor. The number of plans for that area must occupy a shelf or two in City Hall, but the accomplishments to date are negligible. It is important to remember that development of the waterfront was given over to the Niagara Frontier Port Authority, the immediate ancestor of the Niagara Frontier Transportation Authority, back in 1955. To date its public achievements consist mostly of failed ideas, opposed by this or that scrap of the active public community, and a small boat harbor. Yet, the NFTA still claims that it and it alone has the genius to determine what to do with that plot of abandoned railroad tracks and failed commercial ventures, while citizens, including our now only newspaper, feel free to complain about any plan that is offered to adorn a benighted strip of land that, at least for the past 50 years, could have been used by Buffalo's citizenry as a modestly attractive beach while we awaited the perfect plan.

#### **LIKE CRABS IN A BARREL**

And then there is Buffalo's difficult politics of race, ethnicity, class and religion, fueled by the willingness of all of our media outlets to treat any two bit press conference or release as if it were news, rather than "sameold, sameold." The first two – race and ethnicity – are the rock on which the culture of "I want mine too" has been built, of envy fueled by distrust fueled by residual hatred. The third – class – often manifests itself as support for unionized labor, though dubiously so, given that today the non-union workforce is the base of the working class. Here again, the politics of envy and of delivering for one's constituency do not engender an accommodating force in the community. The fourth – religion – is simply sad, the conversion of ancient doctrinal disputes and ethnic rivalries into principled objections designed to see that things are done "My Way."

#### **HELL, WE DON'T EVEN HAVE A BARREL!**

And next . . . ?

Academics who publish observations related to current events are always asked, "Well, then, what should we do?" As if an education brings wisdom and not just perspective. I have only two suggestions, neither of them likely to be very popular.

First, "Grow up!" For at least the 130 years I know something about, Buffalo's political culture has most obviously reflected the distribution snacks at a rather rowdy after-school program. Mike Royko, the patron saint of comedic political commentary in this country and fixture of my Chicago adolescence (the time when comedic sense is honed), made my point in a column of his that every person who claims to participate in the political life of this area ought to remember when it comes time to respond to someone else's policy proposal. Slats Grobnick, the personal Everyman of Royko's muse, was a loyal foot soldier of the Democratic Party. After hearing the stirring words of Jack Kennedy at his inauguration – "Ask not what your country can do for you, but what you can do for your county" – Slats repaired to the local ward committee meeting. Enthused by Kennedy's noble thought, Slats spoke at length at that meeting urging the Party to act on this uplifting credo. After he finished, the Ward Committeeman uttered equally stirring words – "What's in it for me?" It is time for us to stop being a community of Ward Committeemen from Chicago.

Second is more embarrassing, given my employment. Contrary to often self-expressed prejudices, I have concluded that growth in higher education, when supported by the ability to export well-educated children, provides a viable model on which to base the economic development of this area. If this is so, it is time to stop the endless complaining about property taxes. They support the public schools and community colleges that make our children exportable. And, in any case, if any lesson can be gleaned from the history of democracy, the point of government is providing jobs for some of its citizens. Do not begrudge governmental employment; begrudge the low-value of the uses to which it is put.

Similarly, it is time to stop the covert feuding between our various institutions of higher education, as they engage in a dumfounding competition for a dwindling population base. Mutual support for any scheme of any institution to import others to be educated here ought to be the object of each, for in one sense Buffalo is still an entrepôt. Just as the City once imported grain to export flour and imported coal and iron ore to export steel, the area needs to import students in order to export them as well-educated citizens with marketable skills. We need to keep our focus on this understanding of economic development, rather than neglect our primary product – the provision of education for humans – in pursuit of the delightful, but distracting possibility of glorious technology spin-offs. Or in nostalgia for transient moments of imagined greatness.

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my first attempt to outline these thoughts. Reaction to years of reading bad local newspapers is the major source of my observations. Conversations with Tom, Bill, Tom, George, Bruce, Fred, Jim, Frank, Nils, Tom, Dan and Bert have sharpened some of these ideas. Phil shamed me into clearer statements in several places. The foul temper, the kind of response that one can only offer about someplace one loves, is mine alone.

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