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"The City as a Growth Machine"

from *Urban Fortunes: The Political Economy of Place* (1987)

John Logan and Harvey Molotch

Editors' Introduction

The concept of the "growth machine" was initially formulated by Harvey Molotch as an outgrowth of his denunciation of the environmentally destructive effects of a massive 1969 oil tanker spill off the beautiful coastline of Santa Barbara, California. The spill was considered by many to be a watershed for the national environmental movement, and an even more irrevocable turning point for California. Molotch contributed to the national debate with a 1969 article in *Ramparts* magazine titled "Oil in the Velvet Playground." In this and other articles he expressed the outrage of local businesses and residents, who perceived that they gained little wealth or tax benefits from the oil companies working in offshore federal waters. The water and air pollution from the drilling operations furthermore hampered the tourism industry, another major component of the regional economic base. In the ensuing years, Molotch would continue to reflect on the damaging environmental and social consequences of American capitalism and urbanization, and move towards a more generalized urban political economy that understands cities as growth machines that serve elite interests, promote social inequality, and harm the environment. He eventually collaborated with John Logan and they published *Urban Fortunes: The Political Economy of Place* in 1987.

Logan and Molotch reject the human ecology view that places and land markets are the natural outcome of Darwinian and market processes in favor of a Marxist-influenced political economy perspective. They comprehend homes not just as places that are "lived," but also as commodities within real estate markets that can be bought and exchanged, generating use and exchange values for producers and consumers. They see prices and markets, importantly, as *social phenomena*, governed not by natural laws of competition, supply, and demand, but by inequalities of wealth, ownership, and power. Places organize and distribute life chances in a class stratification system. As commodities, places also acquire special use and exchange values. In terms of use value, homes, neighborhoods, local businesses, localities, and other places obtain a special preciousness for people characterized by intense sentiment, commitment, or attachment. In terms of exchange values, places are idiosyncratic and not substitutable in the fashion of other commodities such as cars, clothes, and food, because real estate is a more limited and finite resource. Because property markets are structured by access to infrastructure such as jobs, housing, transportation, schools, hospitals, and other resources, places determine life chances and are key components of the American class stratification system.

Place entrepreneurs such as landlords, businessmen, developers, transportation and utility companies, banks, and corporations gain profit from their control of land and from the proceeds of economic growth. There are serendipitous, active, and structural entrepreneurs, with varying levels of access to capital as well as place attachment. Place entrepreneurs form pro-growth coalitions with governmental units and other economic interests to focus infrastructure and urban development in areas that intensify the profitability of their own interests. They promote a good business climate and an ideology of growth as a public good through their influence on politicians and the media. They foster a booster spirit through partnerships with schools and civic organizations with essay contests, public celebrations and spectacles such as dedications, soapbox derbies, parade floats, and beauty contests. Growth machines have evolved from small groups of local power brokers to include a more multifaceted matrix of auxiliary interests and institutions that include universities, museums, convention centers, sports franchises, entertainment conglomerates, and tourism interests such as theme parks. The growth machine works to suppress or deflect public consciousness from the negative social and environmental consequences of urban development. Citizens' movements have sprung up to contest the negative externalities of growth through protests, lobbying, public hearings, and environmental impact reviews.

The political scientist John Mollenkopf offers a similar concept of "growth coalitions" in his 1983 book, *The Contested City*. Joe Feagin offers an excellent historical and empirical case study of urban political economy in his 1988 book, *Free Enterprise City*. He charts the succession of the Houston growth elite from the days of the "Suite 8F crowd" to the global corporate interests of the late twentieth century. Andrew Kirby and A. Karen Lynch examine the negative social consequences of rapid growth and urban sprawl in Houston in "A Ghost in the Growth Machine: The Aftermath of Rapid Population Growth in Houston," *Urban Studies* 24 (1987): 587–596. Mark Gottdiener and Joe Feagin "The Paradigm Shift in Urban Sociology," *Urban Affairs Quarterly* 24, 2 (1987): 163–187, offer another useful articulation of the new urban sociology. John Walton published a useful historical perspective on urban political economy in "Urban Sociology: The Contribution and Limits of Political Economy," *Annual Review of Sociology* 19 (1993): 301–320.

Harvey L. Molotch obtained his Ph.D. in Sociology from the University of Chicago in 1968. He was on the faculty of the University of California at Santa Barbara from 1967 to 2003, and also served as Centennial Professor at the London School of Economics in 1998–99. He is now Professor of Metropolitan Studies and Sociology at New York University. In 2003, Molotch won the Robert and Helen Lynd Award for lifetime career contribution from the Community and Urban Section of the American Sociological Association. His latest book is *Where Stuff Comes From: How Toasters, Toilets, Cars, Computers and Many Other Things Come to Be as They Are* (New York and London: Routledge, 2003).

John Logan received his Ph.D. from the University of California, Berkeley, in 1974. He was on the faculty of the State University of New York, Stony Brook from 1972 to 1980; then he moved to the State University of New York, Albany, where he is now Distinguished Professor in the Department of Sociology and Department of Public Administration and Policy. He is also Director of the Lewis Mumford Center for Comparative Urban and Regional Research. He served as the Chair of the Community and Urban Sociology Section of the American Sociological Association in 1993–94. Logan has published hundreds of articles in the areas of urban sociology, race and ethnicity, political sociology, immigration, family, aging/gerontology, and social movements.

Urban Fortunes won the 1988 Robert Park Award for best book on community and urban sociology from the American Sociological Association (ASA). It also won the 1990 Distinguished Scholarly Publication Award of the ASA. *Urban Fortunes: The Political Economy of Place* is one of the best articulations of urban political economy, sometimes described as the new urban sociology.

THE SOCIAL CONSTRUCTION OF CITIES

The earth below, the roof above, and the walls around make up a special sort of commodity: a place to be bought and sold, rented and leased, as well as used for making a life. At least in the United States, this is the standing of place in legal statutes and in ordinary people's imaginations. Places can (and should) be the basis not only for carrying on a life but also for exchange in a market. We consider this commodification of place fundamental to urban life and necessary in any urban analysis of market societies.

Yet in contrast to the way neoclassical economists (and their followers in sociology) have undertaken the task of understanding the property commodity, we focus on how markets work as social phenomena. Markets are not mere meetings between producers and consumers, whose relations are ordered by the impersonal "laws" of supply and demand. For us, the fundamental attributes of all commodities, but particularly of land and buildings, are the social contexts through which they are used and exchanged. Any given piece of real estate has both a use value and an exchange value.

[...]

PLACES AS COMMODITIES

For us, as for many of our intellectual predecessors, the market in land and buildings orders urban phenomena and determines what city life can be. This means we must show how real estate markets actually work and how their operations fail to meet the neoclassical economists' assumptions. In short, we will find the substance of urban phenomena in the actual operations of markets. Our goal is to identify the specific processes, the sociological processes, through which the pursuit of use and exchange values fixes property prices, responds to prices, and in so doing determines land uses and the distribution of fortunes. Since economic sociology is still without a clear analytical foundation, we must begin our work in this chapter by laying a conceptual basis for the empirical descriptions that will be presented later.

Special use values

People use place in ways contrary to the neoclassical assumptions of how commodities are purchased and consumed. We do not dispose of place after it has been bought and used. Places have a certain preciousness for their users that is not part of the conventional concept of a commodity. A crucial initial difference is that place is indispensable; all human activity must occur somewhere. Individuals cannot do without place by substituting another product. They can, of course, do with less place and less desirable place, but they cannot do without place altogether.

Even when compared to other indispensable commodities – food, for example – place is still idiosyncratic. The use of a particular place creates and sustains access to additional use values. One's home in a particular place, for example, provides access to school, friends, work place, and shops. Changing homes disrupts connections to these other places and their related values as well. Place is thus not a discrete element, like a toy or even food; the precise conditions of its use determine how other elements, including other commodities, will be used. Any individual residential location connects people to a range of complementary persons, organizations, and physical resources.

The stakes involved in the relationship to place can be high, reflecting all manner of material, spiritual, and psychological connections to land and buildings. Numerous scholars have shown that given places achieve significance beyond the more casual relations people have to other commodities. The connection to place can vary in intensity for different class, age, gender, and ethnic groups, individual relationships to place are often characterized by intense feelings and commitments appropriate to long-term and multifaceted social and material attachments.

This special intensity creates an asymmetrical market relation between buyers and sellers. People pay what the landlord demands, not because the housing unit is worth it, but because the property is held to have idiosyncratic locational benefits. Access to resources like friends, jobs, and schools is so important that residents (as continuous consumers–buyers) are willing to resort to all sorts of "extramarket" mechanisms to fight for their right to keep locational relations intact. They organize, protest, use violence, and seek political regulation. They strive not just for tenure in a given home but for stability in the surrounding neighborhood as well.

Location establishes a special collective interest among individuals. People who have "bought" into the same neighborhood share a quality of public services (garbage pickup, police behavior); residents have a common stake in the area's future. Residents also share the same fate when natural disasters such as floods and hurricanes threaten and when institutions alter the local landscape by creating highways, parks, or toxic dumps. Individuals are not only mutually dependent on what goes on inside a neighborhood (including "compositional effects"); they are affected by what goes on outside it as well. The standing of a neighborhood vis-à-vis other neighborhoods creates conditions that its residents experience in common. Each place has a particular political or economic standing vis-à-vis other places that affect the quality of life and opportunities available to those who live within its boundaries. A neighborhood with a critical voting bloc (for example, Chicago's Irish wards in the 1930s) may generate high levels of public services or large numbers of patronage jobs for its working-class residents, thereby aiding their well being. A rich neighborhood can protect its residents' life styles from external threats (sewer plants, public housing) in a way that transcends personal resources, even those typically associated with the affluent. The community in itself can be a local force.

Neighborhoods organize life chances in the same sense as do the more familiar dimensions of class and caste. . . . Like class and status groupings, and even more than many other associations, places create communities of fate. Thus we must consider the stratification of places along with the stratification of individuals in order to understand the distribution of life chances. People's sense of these dynamics, perceived as the relative "standing" of their neighborhood, gives them some of their spiritual or sentimental stake in place – thus further distinguishing home from other, less life-significant, commodities.

Contrary to much academic debate on the subject, we hold that the material use of place cannot be separated from psychological use; the daily round that makes physical survival possible takes on emotional meanings through that very capacity to fulfill life's crucial goals. The material and psychic rewards thus combine to create feelings of "community." Much of residents' striving as members of community organizations or just as responsible neighbors represents an effort to preserve and enhance their networks of sustenance. Appreciation of neighborhood resources, so varied and diffusely experienced, gives rise to "sentiment." Sentiment is the inadequately articulated sense that a particular place uniquely fulfills a complex set of needs. When we speak of residents' use values, we imply fulfillment of all these needs, material and non-material.

Homeownership gives some residents exchange value interests along with use value goals. Their houses are the basis of a lifetime wealth strategy. For those who pay rent to landlords, use values are the only values at issue. Owners and tenants can thus sometimes have divergent interests. When rising property values portend neighborhood transformation, tenants and owners may adopt different community roles; but ordinarily, the exchange interests of owners are not sufficiently significant to divide them from other residents.

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Special exchange values

Exchange values from place appear as "rent." We use the term broadly to include outright purchase expenditures as well as payments that homebuyers or tenants make to landlords, realtors, mortgage lenders, real estate lawyers, title companies, and so forth. As with use values, people pursue exchange values in ways that differ from the manner in which they create other commodities. Suppliers cannot "produce" places in the usual sense of the term. All places consist, at least in part, of land, which "is only another name for nature, which is not produced by man" (Karl Polanyi, *The Great Transformation*. Boston: Beacon Press, 1944, p. 72) and obviously not produced for sale in a market. The quantity is fixed. It is not, says David Harvey (*The Limits to Capital*. Chicago: Chicago University Press, 1982, p. 357), "the product of labor." This makes the commodity description of land, in Marx's word, "fictitious." Michael Storper and Richard Walker ("The Theory of Labor and the Theory of Location," *International Journal of Urban and Regional Research* 7, 1 (1983): 43) describe land, like labor, as a "pseudocommodity."

Place as monopoly

Perhaps the fundamental "curiosity" is that land markets are inherently monopolistic, providing owners, as a class, with complete control over the total commodity supply. There can be no additional entrepreneurs or any new product. The individual owner also has a monopoly over a subsection of the marketplace. Every parcel of land is unique in the idiosyncratic access it provides to other parcels and uses, and this quality underscores the specialness of property as a commodity. Unlike widgets or Ford Pintos, more of the same product cannot be added as market demand grows. Instead the owner of a particular parcel controls all access to it and its given set of spatial relations. In setting prices and other conditions of use, the owner operates with this constraint on competition in mind.

Property prices do go down as well as up, but less because of what entrepreneurs do with their own holdings than because of the changing relations among properties. This dynamic accounts for much of the energy of the urban system as place entrepreneurs strive to increase their rent by revamping the spatial organization of the city. Rent levels are based on the location of a property vis-à-vis other places, on its particularity. In Marxian conceptual terms, entrepreneurs establish the rent according to the "differential" locational advantage of one site over another. Gaining "differential rent" necessarily depends on the fate of other parcels and those who own and use them. In economists' language, each property use "spills over" to other parcels and, as part of these "externality effects," crucially determines what every other property will be. The "web of externalities" affects an entrepreneur's particular holding. When a favorable relationship can be made permanent (for example, by freezing out competitors through restrictive zoning), spatial monopolies that yield even higher rents – "monopoly rents" in the Marxian lexicon – are created. But all property tends to have a monopolistic character. . . .

Nevertheless, property owners can and do inventively alter the content of their holdings. Sometimes they build higher and more densely, increasing the supply of dwellings, stores, or offices on their land. According to neoclassical thinking, this manner of increase should balance supply and demand, thus making property respond to market pressures as other commodities supposedly do. But new construction has less bearing on market dynamics than such reasoning would imply. New units on the same land can never duplicate previous products; condominiums stacked in a high-rise building are not the same as split-levels surrounded by lawn. Office space on the top roof of a skyscraper is more desirable than the same square footage just one floor lower. Conversely, the advantages of street-level retail space cannot be duplicated on a floor above. Each product, old or new, is different and unique, and each therefore reinforces the monopoly character property and the resulting price system.

Another curious aspect of the real estate market is its essentially second-hand nature. Buildings and land parcels are sold and resold, rented and rerented. In a typical area, no more than 3 percent of the product for sale or rent consists of new construction. Not only land, but even the structures on any piece of land can have infinite (for all practical purposes) lives; neither utility nor market price need decrease through continuous use. . . . Moreover, since the amount of "new" property on the market at any given moment is ordinarily only a small part of the total that is for sale, entrepreneurs' decisions to add to this supply by building additional structures will have a much more limited impact on price than would the same decisions with other types of commodities. Indeed, recent studies indicate that U.S. cities with more rapid rates of housing construction have higher, not lower, housing costs, even when demand factors are statistically controlled. Similarly, relatively high vacancy rates are not associated with lower rent levels, which suggests that new construction "leads" local markets to a new, higher pricing structure rather than equilibrating a previous one. Given the fixed supply of land and the monopolies over relational advantages, more money entering an area's real estate market not only results in more structures being built but also increases the price of land and, quite plausibly, the rents on previously existing "comparable" buildings. Thus higher investment levels can push the entire price structure upward.

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GROWTH MACHINES

Those seeking exchange value often share interests with others who control property in the same block, city, or region. Like residents, entrepreneurs in similar situations also make up communities of fate, and they often get together to help fate along a remunerative path.

Whether the geographical unit of their interest is as small as a neighborhood shopping district or as large as a national region, place entrepreneurs attempt, through collective action and often in alliance with other business people, to create conditions that will intensify future land use in an area. There is an unrelenting search, even in already successful places, for more and more. An apparatus of interlocking progrowth associations and governmental units makes up . . . the "growth machine." Growth machine activists are largely free from concern for what goes on within production processes (for example, occupational safety), for the actual use value of the products made locally (for example, cigarettes), or for spillover consequences in the lives of residents (for example, pollution). They tend to oppose any intervention that might regulate development on behalf of use values. They may quarrel among themselves over exactly how rents will be distributed among parcels, over how, that is, they will share the spoils of aggregate growth. But virtually all place entrepreneurs and their growth machine associates, regardless of geographical or social location, easily agree on the issue of growth itself.

They unite behind a doctrine of value-free development – the notion that free markets alone should determine land use. In the entrepreneur's view, land-use regulation endangers both society at large and the specific localities favored as production sites.

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Growth machines in U.S. history

The role of the growth machine as a driving force in U.S. urban development has long been a factor in U.S. history, and is nowhere more clearly documented than in the histories of eighteenth- and nineteenth-century American cities. Indeed, although historians have chronicled many types of mass opposition to capitalist organization (for example, labor unions and the Wobblie movement), there is precious little evidence of resistance to the dynamics of value-free city building characteristic of the American past. . . . The creators of towns and the builders of cities strained to use all the resources at their disposal, including crude political clout, to make great fortunes out of place. . . . Sometimes, the "communities" were merely subdivided parcels with town names on them, on whose behalf governmental actions could nonetheless be taken. The competition among them was primarily among growth elites.

These communities competed to attract federal land offices, colleges and academies, or installations such as arsenals and prisons as a means of stimulating development. . . . The other important arena of competition was also dependent on government decision making and funding: the development of a transportation infrastructure that would give a locality better access to raw materials and markets. First came the myriad efforts to attract state and federal funds to link towns to waterways through canals. Then came efforts to subsidize and direct the paths of railroads. Town leaders used their governmental authority to determine routes and subsidies, motivated by their private interest in rents.

The people who engaged in this city building have often been celebrated for their inspired vision and "absolute faith." . . . But more important than their personalities, these urban founders were in the business of manipulating place for its exchange values. Their occupations most often were real estate or banking. Even those who initially practiced law, medicine, or pharmacy were rentiers in the making.

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The city-building activities of these growth entrepreneurs in frontier towns became the springboard for the much celebrated taming of the American wilderness. The upstart western cities functioned as market, finance, and administrative outposts that made rural pioneering possible. This conquering of the West, accomplished through the machinations of "the urban frontier," was critically bound up with a coordinated effort to gain rents. . . .

Perhaps the most spectacular case of urban ingenuity was the Chicago of William Ogden. When Ogden came to Chicago in 1835, its population was under four thousand. He succeeded in becoming its mayor, its great railway developer, and the owner of much of its best real estate. As the organizer and first president of the Union Pacific (among other railroads) and in combination with his other business and civic roles, he was able to make Chicago (as a "public duty") the crossroads of America, and hence the dominant metropolis of the Midwest. Chicago became a crossroads not only because it was "central" (other places were also in the "middle") but because a small group of people (led by Ogden) had the power to literally have the roads cross in the spot they chose. . . .

This tendency to use land and government activity to make money was not invented in nineteenth-century America, nor did it end then. The development of the American Midwest was only one particularly noticed (and celebrated) moment in the total process. One of the more fascinating instances, farther to the West and later in history, was the rapid development of Los Angeles, an anomaly to many because it had none of the "natural" features that are thought to support urban growth: no centrality, no harbor, no transportation crossroads, not even a water supply. Indeed, the rise of Los Angeles as the preeminent city of the West, eclipsing its rivals San Diego and San Francisco, can only be explained as a remarkable victory of human cunning over the so-called limits of nature. Much of the development of western cities hinged on access to a railroad; the termination of the first continental railroad at San Francisco, therefore, secured that city's early lead over other western towns. The railroad was thus crucial to the fortunes of the barons with extensive real estate and commercial interests in San Francisco – Stanford, Crocker, Huntington, and Hopkins. These men feared the coming of a second cross-country railroad (the southern route), for its urban terminus might threaten the San Francisco investments. San Diego, with its natural port, could become a rival to San Francisco, but Los Angeles, which had no comparable advantage, would remain forever in its shadow. Hence the San Francisco elites used their economic and political power to keep San Diego from becoming the terminus of the southern route. . . . Of course, Los Angeles won in the end, but here again the wiles of boosters were crucial: the Los Angeles interests managed to secure millions in federal funds to construct a port, today the world's largest artificial harbor – as well as federal backing to gain water.

The same dynamic accounts for the other great harbor in the Southwest. Houston beat out Galveston as the major port of Texas (ranked third in the country in 1979) only when Congressman Tom Ball of Houston successfully won, at the beginning of this century, a million-dollar federal appropriation to construct a canal linking landlocked Houston to the Gulf of Mexico. That was the crucial event that, capitalizing on Galveston's susceptibility to hurricanes, put Houston permanently in the lead.

In more recent times, the mammoth federal interstate highway system . . . has similarly made and unmade urban fortunes. To use one clear case, Colorado's leaders made Denver a highway crossroads by convincing President Eisenhower in 1956 to add three hundred miles to the system to link Denver to Salt Lake City by an expensive mountain route. A presidential stroke of the pen removed the prospects of Cheyenne, Wyoming, of replacing Denver as a major western transportation center. In a case reminiscent of the nineteenth-century canal era, the Tennessee-Tolnbigbee Waterway opened in 1985, dramatically altering the shipping distances to the Gulf of Mexico for many inland cities. The largest project ever built by the U.S. Corps of Engineers, the $2 billion project was questioned as a boondoggle in Baltimore, which will lose port business because of it, but praised in Decatur, Alabama, and Knoxville, Tennessee, which expect to profit from it. The opening of the canal cut by four-fifths the distance from Chattanooga, Tennessee, to the Gulf, but did almost nothing for places like Minneapolis and Pittsburgh, which were previously about the same nautical distance from the Gulf as Chattanooga.

Despite the general hometown hoopla of boosters who have won infrastructural victories, not everyone gains when the structural speculators of a city defeat their competition. Given the stakes, the rentier elites would obviously become engulfed by the "booster spirit." . . . Researchers have made little effort to question the linkage between public betterment and growth, even when they could see that specific social groups were being hurt. Zunz reports that in industrializing Detroit, city authorities extended utility service into uninhabitated areas to help development rather than into existing residential zones, whose working-class residents went without service even as they bore the costs (through taxes) of the new installations.

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The modern-day good business climate

The jockeying for canals, railroads, and arsenals of the previous century has given way in this one to more complex and subtle efforts to manipulate space and redistribute rents. The fusing of public duty and private gain has become much less acceptable (both in public opinion and in the criminal courts); the replacing of frontiers by complex cities has given important roles to mass media, urban professionals, and skilled political entrepreneurs. The growth machine is less personalized, with fewer local heroes, and has become instead a multifaceted matrix of important social institutions pressing along complementary lines.

With a transportation and communication grid already in place, modern cities typically seek growth in basic economic functions, particularly job intensive ones. Economic growth sets in motion the migration of labor and a demand for ancillary production services, housing, retailing, and wholesaling ("multiplier effects"). Contemporary places differ in the type of economic base they strive to build (for example, manufacturing, research and development, information processing, or tourism). But any one of the rainbows leads to the same pot of gold: more intense land use and thus higher rent collections, with associated professional fees and locally based profits.

Cities are in a position to affect the factors of production that are widely believed to channel the capital investments that drive local growth. They can, for example, lower access costs of raw materials and markets through the creation of shipping ports and airfields (either by using local subsidies or by facilitating state and federal support). Localities can decrease corporate overhead costs through sympathetic policies on pollution abatement, employee health standards, and taxes. Labor costs can be indirectly lowered by pushing welfare recipients into low-paying jobs and through the use of police to constrain union organizing. Moral laws can be changed; for example, drinking alcohol can be legalized (as in Ann Arbor, Mich., and Evanston, Ill.) or gambling can be promoted (as in Atlantic City, N.J.) to build tourism and convention business. Increased utility costs caused by new development can be borne, as they usually are, by the public at large rather than by those responsible for the "excess" demand they generate. Federally financed programs can be harnessed to provide cheap water supplies; state agencies can be manipulated to subsidize insurance rates; local political units can forgive business property taxes. Government installations of various sorts (universities, military bases) can be used to leverage additional development by guaranteeing the presence of skilled labor, retailing customers, or proximate markets for subcontractors. For some analytical purposes, it doesn't even matter that a number of these factors have little bearing on corporate locational decisions (some certainly do; others are debated); just the possibility that they might matter invigorates local growth activism and dominates policy agendas.

Following the lead of St. Petersburg, Florida, the first city to hire a press agent (in 1918) to boost growth, virtually all major urban areas now use experts to attract outside investment. One city, Dixon, Illinois, has gone so far as to systematically contact former residents who might be in a position to help (as many as twenty thousand people) and offer them a finder's fee up to $10,000 for directing corporate investment toward their old home town. More pervasively, each city tries to create a "good business climate." The ingredients are well known in city-building circles and have even been codified and turned into "official" lists for each regional area. The much-used Fantus rankings of business climates are based on factors like taxation, labor legislation, unemployment compensation, scale of government, and public indebtedness (Fantus ranks Texas as number one and New York as number forty-eight). In 1975, the Industrial Development Research Council, made up of corporate executives responsible for site selection decisions, conducted a survey of its members. In that survey, states were rated more simply as "cooperative," "indifferent," or "antigrowth"; the results closely paralleled the Fantus rankings of the same year.

Any issue of a major business magazine is replete with advertisements from localities of all types (including whole countries) striving to portray themselves in a manner attractive to business. Consider these claims culled from one issue of *Business Week* (February 12, 1979):

> New York City is open for business. No other city in America offers more financial incentives to expand or relocate....

The state of Louisiana advertises

> Nature made it perfect. We made it profitable.

On another page we find the claim that "Northern Ireland works" and has a work force with "positive attitudes toward company loyalty, productivity and labor relations." Georgia asserts, "Government should strive to improve business conditions, not hinder them." Atlanta headlines that as "A City Without Limits" it "has ways of getting people like you out of town" and then details its transportation advantages to business. Some places describe attributes that would enhance the life style of executives and professional employees (not a dimension of Fantus rankings); thus a number of cities push an image of artistic refinement. No advertisements in this issue (or in any other, we suspect) show city workers living in nice homes or influencing their working conditions.

While a good opera or ballet company may subtly enhance the growth potential of some cities, other cultural ingredients are crucial for a good business climate. There should be no violent class or ethnic conflict. Racial violence in South Africa is finally leading to the disinvestment that reformers could not bring about through moral suasion. In the good business climate, the work force should be sufficiently quiescent and healthy to be productive; this was the rationale originally behind many programs in work place relations and public health. Labor must, in other words, be "reproduced," but only under conditions that least interfere with local growth trajectories.

Perhaps most important of all, local publics should favor growth and support the ideology of value-free development. This public attitude reassures investors that the concrete enticements of a locality will be upheld by future politicians. The challenge is to connect civic pride to the growth goal, tying the presumed economic and social benefits of growth in general to growth in the local area. Probably only partly aware of this, elites generate and sustain the place patriotism of the masses. . . . In the nineteenth-century cities, the great rivalries over canal and railway installations were the political spectacles of the day, with attention devoted to their public, not private, benefits. With the drama of the new railway technology, ordinary people were swept into the competition among places, rooting for their own town to become the new "crossroads" or at least a way station.

The celebration of local growth continues to be a theme in the culture of localities. Schoolchildren are taught to view local history as a series of breakthroughs in the expansion of the economic base of their city and region, celebrating its numerical leadership in one sort of production or another; more generally, increases in population tend to be equated with local progress. Civic organizations sponsor essay contests on the topic of local greatness. They encourage public celebrations and spectacles in which the locality name can be proudly advanced for the benefit of both locals and outsiders. They subsidize soapbox derbies, parade floats, and beauty contests to "spread around" the locality's name in the media and at distant competitive sites.

One case can illustrate the link between growth goals and cultural institutions. In the Los Angeles area, St. Patrick's Day parades are held at four different locales, because the city's Irish leaders can't agree on the venue for a joint celebration. The source of the difficulty (and much acrimony) is that these parades march down the main business streets in each locale, thereby making them a symbol of the life of the city. Business groups associated with each of the strips want to claim the parade as exclusively their own, leading to charges by still a fifth parade organization that the other groups are only out to make money. The countercharge, vehemently denied, was that the leader of the challenging business street was not even Irish. Thus even an ethnic celebration can receive its special form from the machinations of growth interests and the competitions among them.

The growth machine avidly supports whatever cultural institutions can play a role in building locality. Always ready to oppose cultural and political developments contrary to their interests (for example, black nationalism and communal cults), rentiers and their associates encourage activities that will connect feelings of community . . . to the goal of local growth. The overall ideological thrust is to deemphasize the connection between growth and exchange values and to reinforce the link between growth goals and better lives for the majority. We do not mean to suggest that the only source of civic pride is the desire to collect rents; certainly the cultural pride of tribal groups predates growth machines. Nevertheless, the growth machine coalition mobilizes these cultural motivations, legitimizes them, and channels them into activites that are consistent with growth goals.